

## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

**April 4, 2007**

**State of Utah  
Division of Oil Gas & Mining  
1594 W North Temple  
Salt Lake City, Utah 84114-5801**

**Gentlemen:**

**Please find enclosed the APD for the JSW FEDERAL 2-26 well located in Section 26, Township 9 South Range 17 West, Duchesne County, Utah. I have been informed by Sagebrush Archeological Consultants that they have submitted to your office their report for the above named well. Survey for gas delivery pipeline has been done.**

**Should there be any questions concerning this Application please call me at Quinex Energy's Office 801-292-2300.**

**Sincerely,**

**DeForrest Smouse  
President**

**RECEIVED**

**APR 09 2007**

**DIV. OF OIL, GAS & MINING**

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

**APPLICATION FOR PERMIT TO DRILL**

<b>1A. TYPE OF WORK:</b> DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>  <b>B. TYPE OF WELL:</b> OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		<b>5. MINERAL LEASE NO:</b> UTU-80566	<b>6. SURFACE:</b> Federal
		<b>7. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> FEDERAL	
<b>2. NAME OF OPERATOR:</b> QUINEX ENERGY CORPORATION		<b>8. UNIT or CA AGREEMENT NAME:</b> <del>FEDERAL</del>	
<b>3. ADDRESS OF OPERATOR:</b> 465 SOUTH 200 WEST BOUNTIFUL UT 84010		<b>9. WELL NAME and NUMBER:</b> JSW FEDERAL 2-26	
<b>4. LOCATION OF WELL (FOOTAGES)</b> AT SURFACE: 660' FNL, 660' FWL, SECTION 26, T 9 S, R 17 ESAME AT PROPOSED PRODUCING ZONE: SAME AS ABOVE		<b>10. FIELD AND POOL, OR WILDCAT:</b> UNDESIGNATED	
<b>14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:</b> 15.3 miles south of Myton, Utah		<b>11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> NWNW 26 9S 17E	
<b>15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)</b> 660'	<b>16. NUMBER OF ACRES IN LEASE</b> 1800	<b>17. NUMBER OF ACRES ASSIGNED TO THIS WELL:</b> 40	
<b>18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)</b> 1320'	<b>19. PROPOSED DEPTH:</b> 5,600	<b>20. BOND DESCRIPTION:</b> Irrevocable letter of credit WFBank	
<b>21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):</b> GR-5280'	<b>22. APPROXIMATE DATE WORK WILL START:</b> 7/15/2007	<b>23. ESTIMATED DURATION:</b> 30 days	

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4"	8 5/8"	J 55	24#	800	600 sks Class G	3.19	16.5# SURFACE
7 5/8"	5 1/2"	P110	15.5#	5,600	400 sks lite	1.28	14.1#
					200 sks Class G	3.19	16.5#

**ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN  |
| <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER        | <input checked="" type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) DeForrest Smouse TITLE President, Quinex Energy Corporation  
 SIGNATURE *DeForrest Smouse* DATE 4/4/2007

(This space for State use only)

API NUMBER ASSIGNED: 43-013-33617

Approved by the  
Utah Division of  
Oil, Gas and Mining  
APPROVAL

**RECEIVED**  
**APR 09 2007**  
DIV. OF OIL, GAS & MINING

(11/2001)

Federal Approval of this  
Action is Necessary

(See Instructions on Reverse Side)

By: *[Signature]*

Date: 04-11-07

T9S, R17E, S.L.B.&M.

1910 Brass Cap,  
1.5' High, Steel  
Post

S89°58'57"E - 2643.64' (Meas.)

S89°57'25"E - 2646.78' (Meas.)

Brass Cap,  
1.0' High, Steel  
Post

1910 Brass Cap,  
1.1' High, Steel  
Post

N00°05'56"E - 2644.56' (Meas.)

660'

JSW FEDERAL #2-26  
Elev. Ungraded Ground = 5280'

1910 Brass Cap,  
1.2' High

26

S00°04'46"W - 2638.57' (Meas.)

1910 Brass Cap,  
1.2' High, Steel  
Post

N00°01'W - 2640.00' (G.L.O.)

N00°01'W - 2640.00' (G.L.O.)

S89°57'W - 5281.32' (G.L.O.)

### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)  
LATITUDE = 40°00'26.58" (40.007383)  
LONGITUDE = 109°58'51.42" (109.980950)  
(AUTONOMOUS NAD 27)  
LATITUDE = 40°00'26.71" (40.007419)  
LONGITUDE = 109°58'48.89" (109.980247)

### LEGEND:

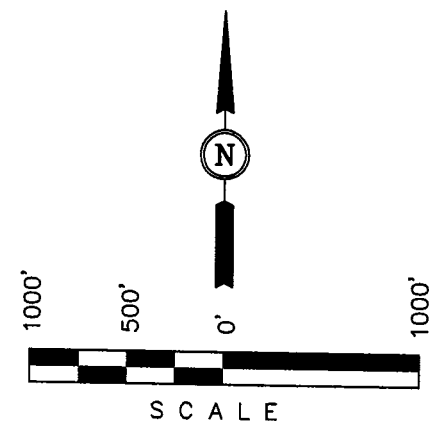
- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

## QUINEX ENERGY CORP.

Well location, JSW FEDERAL #2-26, located as shown in the NW 1/4 NW 1/4 of Section 26, T9S, R17E, S.L.B.&M., Duchesne County, Utah.

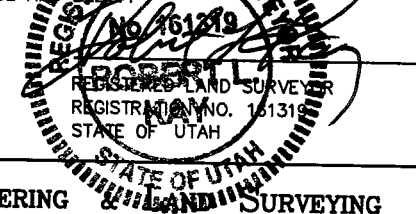
### BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE NORTHWEST CORNER OF SECTION 23, T9S, R17E, S.L.B.&M. TAKEN FROM THE PARIETTE DRAW SW, QUADRANGLE, UTAH, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5198 FEET.



### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE AND UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



**UINTAH ENGINEERING & SURVEYING**  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 11-28-06	DATE DRAWN: 11-29-06
PARTY G.O. B.B. C.H.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUINEX ENERGY CORP.	

## EIGHT POINT PLAN

QUINEX ENERGY CORPORATION

JSW FEDERAL 2-26

NE1/4, NE1/4, SECTION 26 T 9 S, R 17 E

DUCHESNE COUNTY, UTAH

### 1 & 2 ESTIMATED TOPS ANTICIPATED OIL, GAS AND WATER ZONES

<u>FORMATION</u>	<u>DEPTH</u>	<u>ZONE TYPE</u>	<u>MAX. PRESSURE</u>
Uinta Formation	Surface	Fresh Water	
Green River Formation	1,340'	Oil & Gas	1100 psi
Castle Peak Member	4360'	Oil & Gas	1600 psi
Douglas Creek Member	4950'	Oil & Gas	1800 psi
Black Shale Member	5010'	Oil & Gas	1800 psi
TD - 5,600'			

### 3. PRESSURE CONTROL EQUIPMENT

BOP Schematic Diagram attached

### 4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>COLLAPSE</u>	<u>BURST</u>	<u>CEMENT</u>
12 1/2"	0-800'	800'	8 5/8"	24#	J 55	P & C	2890 #	4410 #	920 sks
									class G to Surface
7 5/8"	800-5600'	5400'	5 1/2"	15.5#	P 110	P & C	7460#	7460#	400 sks
									lite & 300 sks Class G

### 5. MUD PROGRAM:

<u>INTERVAL</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>
0-5,400'	Watergel	8.5#

Lost circulation zones are not anticipated.

Sufficient mud inventory will be maintained on location during drilling operations to handle any adverse conditions that may arise.

### 6. VARIANCE REQUESTS:

The JSW Federal 2-26 well is designated as a Green River Formation test.

### 7. EVALUATION PROGRAM

LOGS: SCHLUMBERGER WIRELINE

DIL-SFL Surface casing to 5,600'

CNL-FDC Surface casing to 5,600'

Additional logs as needed to evaluate formation from 3,800' - TD

Cores None

DST's None

**8. ABNORMAL CONDITIONS**


**None anticipated**

**9. STANDARD REQUIRED EQUIPMENT**

**A. Choke Manifold**

**No chemicals subject to reporting under SARA III in an amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold quantities, will be used, produced, stored, transported or disposed of in association with the drilling of this well.**

**(Attachment: BOP Diagram)**

  
**DeForrest Smouse PhD**  
**President - Quinex Energy**

**THIRTEEN POINT PLAN**  
**JSW FEDERAL 2-26**

**GENERAL** Requirements for working on BLM lands.

1. Cultural resources are not expected to be disrupted, see attached report from Sagebrush Consultants, L.L.C.
2. The area is grassland with minor sagebrush and other desert vegetations.

**1. EXISTING ROADS** - See Location Map.

- A. Wellsite 660' FNL, 660' FWL ( NW ¼ ,NW ¼ ) Section 26, T9S, R17E.  
Elevation GR-5,280'
- B. Travel 1 ½ mile west of Myton, Utah then south (left) on Pleasant Valley paved and graded road 11.2 miles to the old Castle Peak mine-site then southwest (right) on graded road; then 3.7 miles to abandoned Snyder Springs Ranch site. Turn left on graded road 1.5 miles and then north 0.1 mile on graded road to wellsite.
- C. Roads: The route is over paved US 40 to turnout about 1.5 miles west of Myton. The road to Castle Springs is paved. All other roads are graded, many with fair gravel topping.
- D Other existing roads as marked on Topo Map.
- D. Existing roads will be maintained by the county. The new road to the Helen Fed 1-26 wellsite will be built to meet BLM specifications, and be maintained as required, for all weather use, by the operator. (See Engineer Survey Plat).

**2. General:**

- (1) The Vernal BLM District will be notified 48 hours prior to commencing work on BLM lands.
- (2) The dirt contractor will be furnished a copy of this Surface Use Plan, along with any additional BLM stipulations, prior to the work.
- (3) Trees: There are no trees on access road to, or on location.
- (4) All artifacts found on federal land shall be left in place and the BLM promptly notified. Archeological survey indicated none found.
- (5) The topsoil removed for reserve pits will be stockpiled on east side of the location.

(6) The reserve pit will be lined with native clay and water-proofed.

**B. Planned Access Roads:**

17.9 miles of access road and 0.1 mile new road to location will be built the Subject road will be improved or built to BLM specifications (from 6, p.26) Surface Operating Standards for Oil and Gas Development” as follows:

- (1) Width: 170' at crown:  
Total disturbed width 270'.
- (2) Maximum grades: 1.5% maximum.
- (3) Turnouts: See Survey Map.
- (4) Drainage: Borrow Pit on east side.
- (5) Culverts:
  - a. 18" galvanized steel if needed.
- (6) Surface Material: The roads will be covered with 6 inches of Road-base and 2 inches of 1 ½ gravel topping as required for traction and erosion control.
- (7) Gates/ Cattle Guards: No fences will be crossed from country road to location of the Jan S Fed 1-25. The location is in unfenced land with minor sagebrush & native grasses.

**3. Location of Existing Wells: See Topographic Map.**

**Wells within one mile radius: 3**

- (1) Water wells: None
- (2) Abandoned Oil Wells: None
- (3) Temporarily Abandoned wells None
- (4) Disposal Wells: None
- (5) Drilling Wells: Producing Wells: 3  
Quinex Energy Co. – J D C FED 4-23 – SW ¼ SW ¼ Section  
23, T 9 S, R 17 E; Quinex Energy Co. – DS FED 3-23  
NW ¼ SW ¼ Section 23, T 9 S, R 17 E; Quinex Energy Co. –  
LFW FED 2-23 SW ¼ NW ¼ Section 23, T 9 S, R 17 E;
- (6) Shut in wells: None
- (7) Monitoring Wells: None

**4. Location of Existing, and/or Proposed Facilities: - See wellsite Plat.**

**A: Within 1-mile radius of location, existing facilities owned and operated by lessee/operator.**

- (1) Tank Batteries: Same as 6 above**
- (2) Production Facilities: Same as above.**
- (3) Oil Gathering Lines: None.**
- (4) Gas Gathering Lines: Newfield Oil and Gas.**
- (5) Injection Lines: None**
- (6) Disposal Lines: None**

**B: New Facilities Contemplated:**

- (1) Oil Well Pad: A gas line tie-in to Newfield Oil & Gas Gathering and Electric tie-in to Moon Lake Electric may be needed and will be executed with Moon Lake prior to needs. Survey & Archeology completed.**
- (2) Well Pad Dimensions Refer to Rig Layout Plat.**
- (3) Construction Methods: Tanks are to be welded. Battery grade will be less than 3' above well pad grade. All equipment will be painted medium sand brown.**
- (4) Protective Measures: There will be no open permanent vessels.**
- (5) No storage of fluids in open pits. Storage tanks will be diked to provide emergency containment of a potential tank failure**

**C. Location and Type of Water Storage.**

- 1. Approximately ten acre-feet of water will be required to drill and complete the well. Water is to hauled from the Babcock Draw by Tu and Frum Trucking, Inc. – Dave Murray. Proper water rights: See attached Temporary Application – Water Right # 43-1721, will be obtained from a State Engineer prior to spudding.**
- 2. Transportation: Water will be trucked by Tu and Frum Inc. Oil will Be trucked to refineries by MC Oil, West Bountiful Utah.**
- 3. Water Well: None proposed.**



**6. Source of Construction Materials:**

- A. Source: Materials from cuts will be used in fills. No additional requirements are anticipated.**
- B. Ownership: The access road and location are on BLM land.**
- C. Outside Materials: Road base will be obtained from commercial gravel pits in the Roosevelt, Utah area.**
- D. Access: Only the road to the location from the graded road will be required, (See plat above).**

**7. Methods of Handling Waste Disposal**

**Disposal will be handled as follows:**

- (1) Cuttings: Drill cuttings are to be buried in the reserve pit.**
- (2) Drilling Fluids: Drilling fluids are to be removed to a commercial disposal pit within 90 days from completion.**
- (3) Produced fluids: Produced oil will be sold to an authorized oil buyer. Produced water will be hauled to an authorized disposal site.**
- (4) Sewage: Chemical toilets will be provided for the drilling crew.**
- (4) Trash and garbage: Trash will be accumulated in a wire mesh receptacle and hauled to a sanitary road fill.**
- (5) Post Drilling Cleanup: After drilling operations cease, the access road and location will be cleaned up and graded. The reserve pit will be covered and reseeded to BLM specifications within 90 days.**

**8. Ancillary Facilities**

**No camp facilities are planned or required.**

**9: Wellsite Layout: see attached Wellsite Plat.**

- (1) Cross Sections: Provided with Plat.**
- (2) Equipment Layout: Provided with Plat.**
- (3) Rig Orientation: Provided with Plat.**

- (4) Pits: All pits are to be sealed.**

**10: Plans for restoration of Surface.**

**Upon completion of drilling operations, the location is to be restored as follows:**

- (1) Initial Cleanup: Location and surrounding area are to be cleaned of all debris resulting from the drilling operations. All trash is to be hauled to a local sanitary landfill.**
- (2) Vernal BLM will be notified 48 hours prior to any surface restoration requiring earth moving equipment, upon completion of the work.**
- (3) Topography: Within 90 days of completion (weather permitting) the well, the reserve pit is to be dried, filled and re-contoured to original shape. All spoil material is to be buried a minimum of five (5) feet depth. All trash will be removed prior to burial. All disturbed areas, not required for continued operations, are to be re-contoured to original shape.**
- (4) Stockpiled topsoil will be evenly distributed back over reclaimed areas.**
- (5) Re-vegetation: Reclaimed areas will be scarified and seeded by broadcasting or drilling, per BLM recommendations.**
- (6) Unused areas will be blocked from vehicular access.**
- (7) Any oil on pits will be removed to a commercial disposal when rig is released.**
- (8) Timetable: Reserve pit will be reclaimed within 90 days of completion date. Other areas will be reclaimed within 6 months of discontinued use.**

**11. Other Information**

**A. Ownership and Right-of-ways:**

**Both the surface and minerals are owned by the Federal Government. Right-of-ways for road, location, gas gathering lines, and power lines will be requested from the BLM.**

**B. General Description of Area.**

- (1) Topography: Low angle slopes, semi-arid with sagebrush and desert vegetation. No irrigation.**

- (2) Surface Use Activity: The area is used for cattle grazing.
- (3) Water, Dwellings, Archeology: Water will be trucked to location on existing roads. There are no dwellings within ½ mile. No archeological sited on wellsite or access road. An archeological survey is completed and submitted with APD.

**12. Production Operations**

- A. Notification: A first production report will be sent to the BLM within 5 days of first production to establish site security and APD compliance.
- B. Site Security: Site security plan will be submitted within thirty (30) days of completion.
- C. Water Production: NTL-2B will be submitted within sixty (60) of completion. It is anticipated that the water produced will be hauled to a pit located in LaPoint, Utah, Section 8, T 1 S, R 1 E.
- D. Weed Control: The road and location will be professionally sprayed annually, using EPA approved chemicals, to control noxious weeds.
- E. The tank battery is to be built along the east side of the location. All permanent structures will be painted with an approved earth-tone color within six months of installation. OSHA required markings are expected.

**13. lessee's or Operator's Representative**

Quinex Energy Corporation  
DeForrest Smouse  
465 South 200 West  
Bountiful, Utah 84010  
Phone: (801) 292-3800 or 292-2554

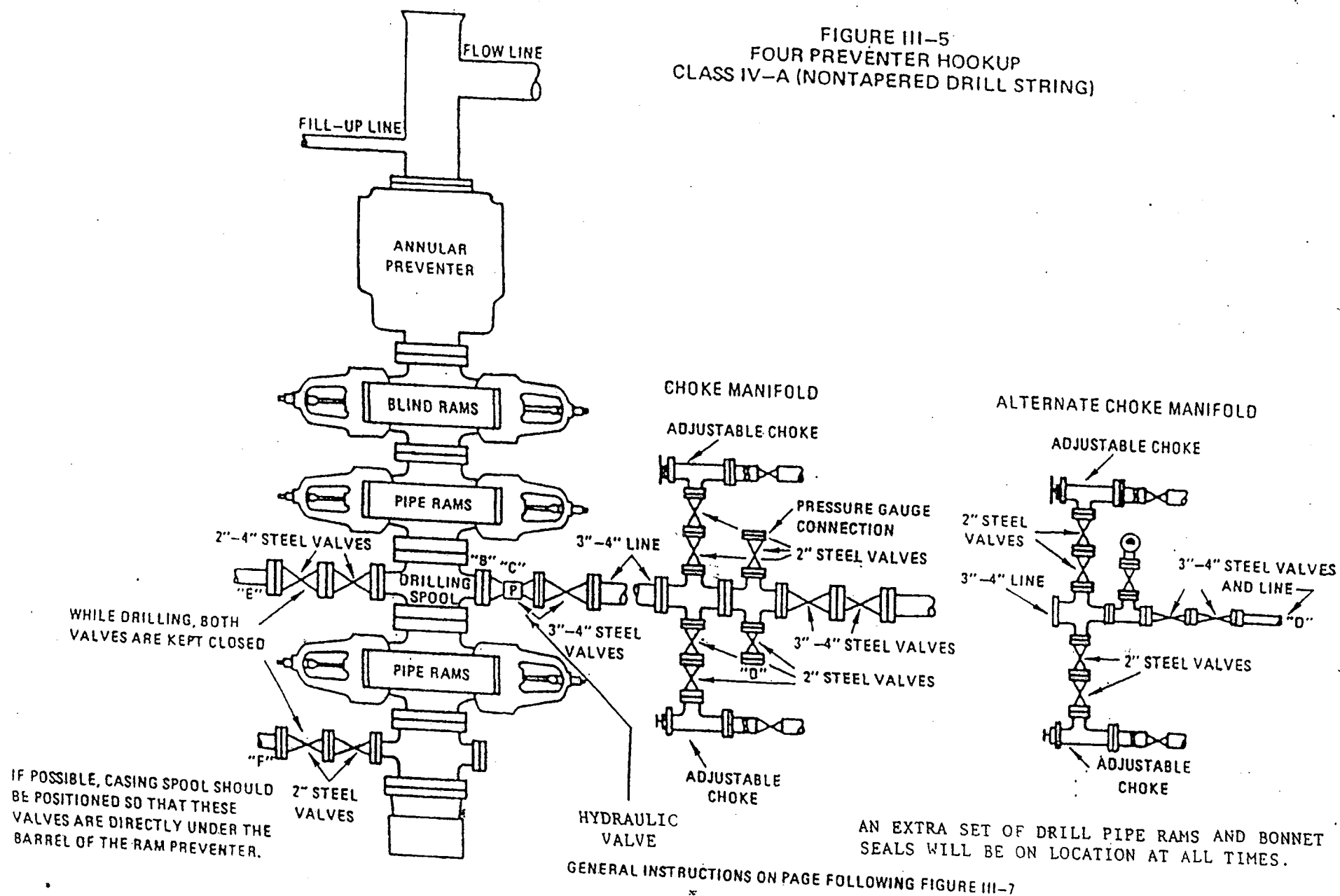
**Certification**

I hereby certify that I, or persons under my direct supervision, have Inspected the proposed drill site and access route: that I am familiar with the conditions which presently exist: that the statements made in this plan are, to the best of my knowledge, true and correct: and the work associated will be performed by Quinex Energy Corporation and its contractors in conformity with this plan and terms and conditions under which it is approved.

Date: 4/4/07

DeForrest Smouse  
DeForrest Smouse  
Quinex Energy Corporation

FIGURE III-5  
FOUR PREVENTER HOOKUP  
CLASS IV-A (NONTAPERED DRILL STRING)



RECEIVED

SEP 22 2004

WATER RIGHTS  
VERNAL

# TEMPORARY APPLICATION TO APPROPRIATE WATER

Rec. by Bru

Fee Paid \$ 75.00 cash

Receipt # 04-04079

## STATE OF UTAH

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3, Utah Code Annotated 1953, as amended.

WATER RIGHT NUMBER: 49 - 2188

(BWHITE)

TEMPORARY APPLICATION NUMBER: T75549

\*\*\*\*\*

1. OWNERSHIP INFORMATION:

LAND OWNED? Yes

A. NAME: Tu and Frum Trucking Inc David Murray  
ADDRESS: P. O. Box 146  
Lapoint, UT 84039

B. PRIORITY DATE: September 22, 2004

FILING DATE: September 22, 2004

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 8.0 acre-feet

B. SOURCE: Green River

COUNTY: Uintah

C. POINT OF DIVERSION -- SURFACE:

(1) N 1,190 feet W 200 feet from SE corner, Section 20, T 11S, R 18E, SLBM

D. COMMON DESCRIPTION: 40 miles southeast of Myton

3. WATER USE INFORMATION:

OIL EXPLORATION: from Oct 1 to Sep 30 drilling and completion of oil/gas wells  
- Oct 1, 2004 to Sep. 30, 2005

Water will be loaded into tank trucks and hauled to place of use.

\*-----\*

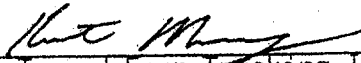
4. PLACE OF USE: (which includes all or part of the following legal subdivisions:)

BASE	TOWN	RANG	SEC	NORTH-WEST ¼	NORTH-EAST ¼	SOUTH-WEST ¼	SOUTH-EAST ¼
				NW NE SW SE	NW NE SW SE	NW NE SW SE	NW NE SW SE
SL	9S	17E		Entire TOWNSHIP			
SL	9S	18E		Entire TOWNSHIP			
SL	10S	17E		Entire TOWNSHIP			
SL	10S	18E		Entire TOWNSHIP			
SL	11S	17E		Entire TOWNSHIP			
SL	11S	18E		Entire TOWNSHIP			

MAY 11 2005

## 5. SIGNATURE OF APPLICANT(S):

The applicant(s) hereby acknowledge(s) that he/she/they are citizen(s) of the United States of America or intend(s) to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of information contained herein, at the time of filing, rests with the applicant(s).



---

Tu and Frum Trucking Inc David Murray



OLENE S. WALKER  
Governor  
GAYLE F. MCKEACHNIE  
Lieutenant Governor

State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
Division of Water Rights

ROBERT L. MORGAN  
Executive Director  
JERRY D. OLDS  
State Engineer/Division Director

>>>>>>OFFICIAL RECEIPT<<<<<<<<

RECEIPT No. 04-04079		DATE: September 22, 2004
RECEIVED FROM:		
TU AND FRUM TRUCKING INC DAVID MURRAY, P. O. BOX 146 LAPOINT, UT 84039		
NATURE OF SERVICE:		FEE:
Application to Appropriate 49-2188(T75549)		75.00
TOTAL:		\$75.00
METHOD OF PAYMENT: Cash		
RECEIVED BY:		BWHITE

# APPLICATION FOR TEMPORARY CHANGE RECEIVED OF WATER

JUN 24 2005

WATER RIGHTS  
VERNAL

STATE OF UTAH

Rec. by Bmu

Fee Paid \$75.00 at 4619.

Receipt # 05-02835

For the purpose of obtaining permission to make a temporary change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-3 Utah Code Annotated 1953, as amended.

CHANGE APPLICATION NUMBER: 630370  
(c3083BWHITE)

WATER RIGHT NUMBER: 43-1721

\*\*\*\*\*  
This Change Application proposes to change the PLACE OF USE and NATURE OF USE.  
\*\*\*\*\*

## 1. OWNERSHIP INFORMATION.

A. NAME: Kenneth V. & Barbara U. Richens  
ADDRESS: Rt. 3 Box 3613  
Myton UT 84052  
REMARKS: tenants in common

INTEREST: 100%

B. PRIORITY OF CHANGE: June 24, 2005

FILING DATE: June 24, 2005

C. EVIDENCED BY:  
43-1721(A10906)

\*-----  
\* DESCRIPTION OF CURRENT WATER RIGHT: \*  
\*-----

## 2. SOURCE INFORMATION.

A. QUANTITY OF WATER: 1.12 cfs

B. SOURCE: Babcock Draw

COUNTY: Duchesne

C. POINT(S) OF DIVERSION.

POINT OF DIVERSION -- SURFACE:

(1) N 180 feet E 1.487 feet from W $\frac{1}{4}$  corner, Section 34. T 3S. R 2W. USBM  
DIVERT WORKS: concrete diversion box

## 3. WATER USE INFORMATION.

The Water Right represented by this change application is SUPPLEMENTAL to other Water Rights.

Temporary Change



IRRIGATING: 68.3000 acres.

EQUIVALENT LIVESTOCK UNITS: 42.

4. PLACE OF USE. (Which includes all or part of the following legal subdivisions:)

BASE TOWN RANG SEC				NORTH-WEST¼				NORTH-EAST¼				SOUTH-WEST¼				SOUTH-EAST¼			
				NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE
US	35	2W	34				***	X	X			***				***			

THE FOLLOWING CHANGES ARE PROPOSED:

## 5. SOURCE INFORMATION.

A. QUANTITY OF WATER: 10.0 acre-feet

B. SOURCE: Babcock Draw

COUNTY: Duchesne

C. POINT(S) OF DIVERSION. Same as HERETOFORE.

D. COMMON DESCRIPTION: 2 miles south of Myton

6. WATER USE INFORMATION. Changed as Follows:

OIL EXPLORATION from Jan 1 to Dec 31.

drilling and completion of oil/gas wells  
in South Myton area.

7. PLACE OF USE. Changed as Follows:

(Which includes all or part of the following legal subdivisions:)

BASE	TOWN	RANG	SEC	NORTH-WEST $\frac{1}{4}$	NORTH-EAST $\frac{1}{4}$	SOUTH-WEST $\frac{1}{4}$	SOUTH-EAST $\frac{1}{4}$
				NW NE SW SE	NW NE SW SE	NW NE SW SE	NW NE SW SE
US	1N	1E		Entire TOWNSHIP			
US	1N	1W		Entire TOWNSHIP			
US	1N	2W		Entire TOWNSHIP			
US	1N	3W		Entire TOWNSHIP			
US	1S	1E		Entire TOWNSHIP			
US	1S	1W		Entire TOWNSHIP			
US	1S	2W		Entire TOWNSHIP			
US	2S	1E		Entire TOWNSHIP			
US	2S	1W		Entire TOWNSHIP			
US	2S	2W		Entire TOWNSHIP			
US	2S	3W		Entire TOWNSHIP			
US	3S	1E		Entire TOWNSHIP			
US	3S	1W		Entire TOWNSHIP			
US	3S	2W		Entire TOWNSHIP			
US	3S	3W		Entire TOWNSHIP			
US	4S	1E		Entire TOWNSHIP			

US	4S	1W	Entire TOWNSHIP
US	4S	2W	Entire TOWNSHIP
US	4S	3W	Entire TOWNSHIP
US	4S	4W	Entire TOWNSHIP
US	4S	5W	Entire TOWNSHIP
US	4S	6W	Entire TOWNSHIP
US	5S	3W	Entire TOWNSHIP
US	5S	4W	Entire TOWNSHIP
US	5S	5W	Entire TOWNSHIP
US	6S	3W	Entire TOWNSHIP
US	6S	4W	Entire TOWNSHIP
US	7S	4W	Entire TOWNSHIP
US	7S	5W	Entire TOWNSHIP

**8. EXPLANATORY.**

Applicant will retire 2.50 acres of irrigation to compensate for the 10.00 acre feet to be used for oil exploration.

**9. SIGNATURE OF APPLICANT(S).**

The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application, through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

Kenneth V. Richens      Barbara U. Richens  
Kenneth V. & Barbara U. Richens

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
UTAH STATE OFFICE

U.S. Dept. of the Interior  
Bureau of Land Management  
Utah State Office



**Summary Report of Cultural  
Resources Inspection**

**State Proj. No: U-06-SJ-1776b**

1. Report Title: A Cultural Resource Inventory of the Proposed Quinex Energy Corporation Well, D.C. Federal #1-11,  
Uintah County, Utah.

2. Report Date: 3/11/2007

3. Date(s) of Survey: 3/12/2007

4. Development Company: Quinex Energy Corporation

5. Responsible Institution: Sagebrush Consultants, L.L.C.

6. Responsible Individuals

Principal Investigator: Michael R. Polk  
Field Supervisor: Sandy C. Pagano  
Report Author(s): Sandy C. Pagano

7. BLM Field Office: Vernal Field Office

8. County(ies): Uintah

9. Fieldwork Location:

USGS Map: 7.5' Quadrangle Big Pack Mountain NW, Utah (1968: PR. 1987)

Twn: 11S. Range: 20E. Sections: 11 NE

10. Record Search:

Location of Records Searched: 1) Division of State History, Utah State Historic Preservation Office  
2)

Date of Record Search: 1) 12/18/2006 and 12/21/2006 2)

11. Description of Examination Procedures: The proposed well pads and their associated access road and pipeline corridors were walked in parallel transects spaced no more than 15 m (50 ft) apart. The well pad was 10 ac and the corridor width was 60 m (200 ft).

12. Area Surveyed:

		BLM	OTHER FED	STATE	PRIVATE
Linear Miles	Intensive:				
	Recon/Intuitive:				
Acreage	Intensive:	15.02			
	Recon/Intuitive:				

## 13. Sites Recorded:

		BLM	OTHER FED	STATE	PRIVATE
		# Smithsonian Site Numbers	# Smithsonian Site Numbers	# Smithsonian Site Numbers	# Smithsonian Site Numbers
Revisits (no IMACS form)	NR Eligible				
	Not Eligible				
Revisits (updated IMACS)	NR Eligible				
	Not Eligible				
New Recordings (IMACS)	NR Eligible				
	Not Eligible				

Total Number of Archaeological Sites: 0

Historic Structures (USHS Form): 0

Total National Register Eligible Sites: 0

14. Description of Findings: No cultural resource sites or isolates were identified as a result of this inventory.

15. Collection Yes \_\_\_ No X

(If Yes) Curation Facility:

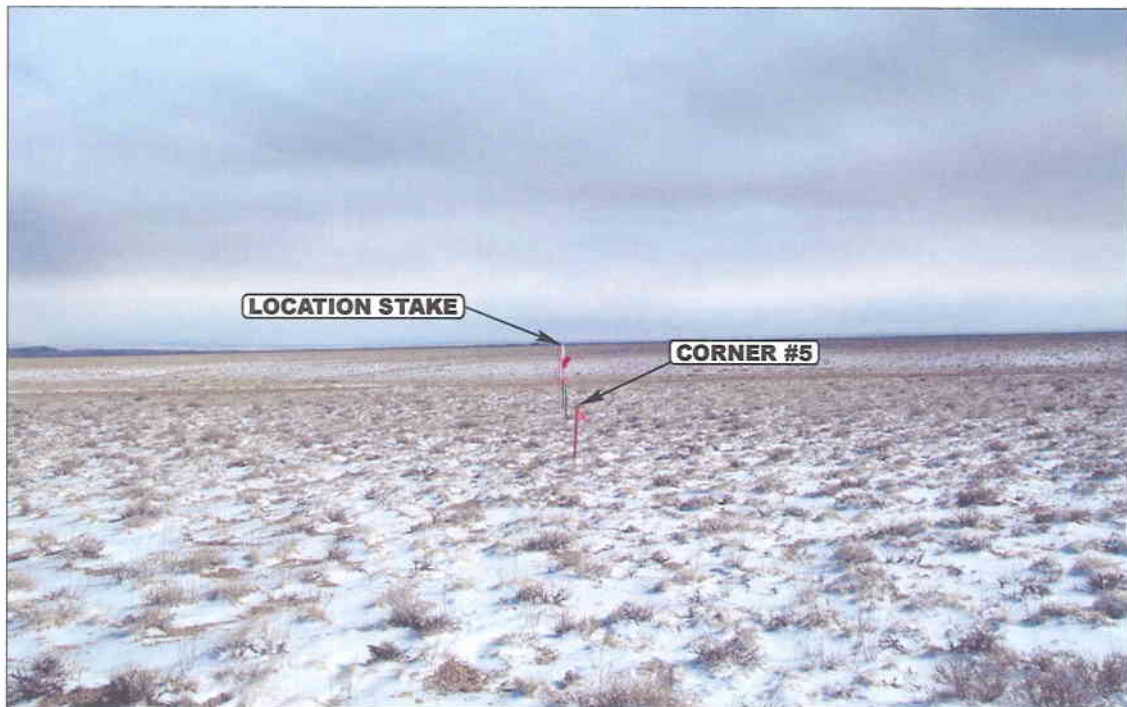
Accession Number(s):

16. Conclusion/Recommendations: Cultural resource clearance is recommended.

# QUINEX ENERGY CORP.

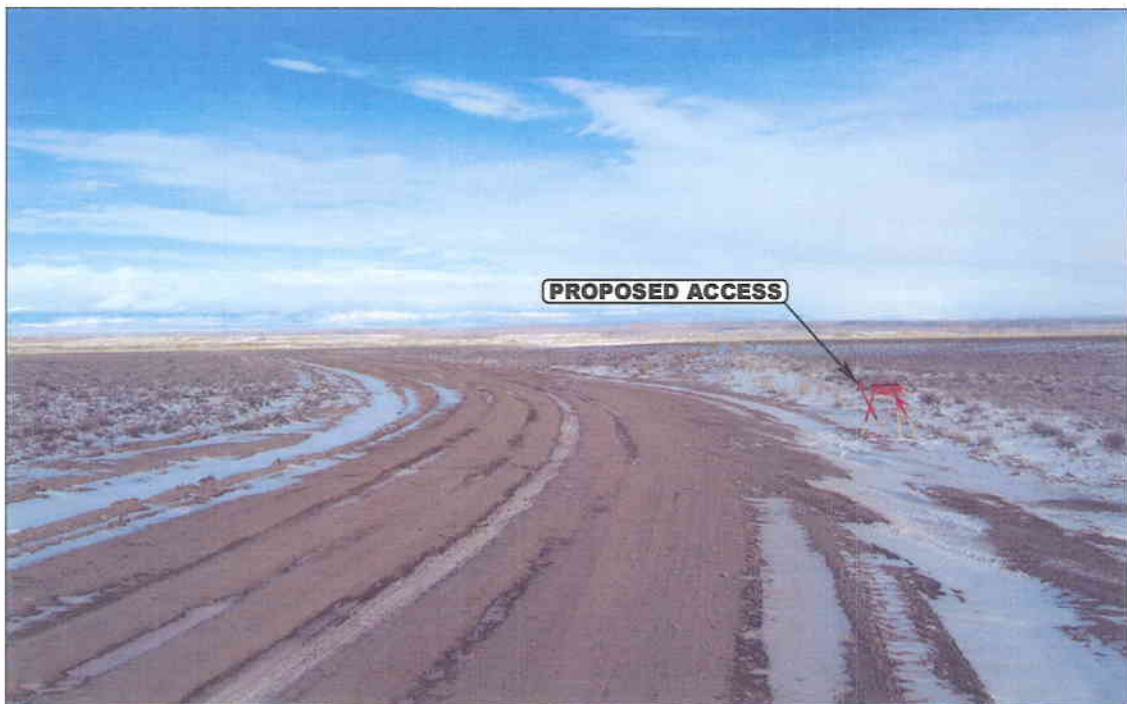
**JSW FEDERAL #2-26**

**LOCATED IN DUCHESNE COUNTY, UTAH  
SECTION 26, T9S, R17E, S.L.B.&M.**



**PHOTO: VIEW OF LOCATION STAKE FROM CORNER #5**

**CAMERA ANGLE: EASTERLY**



**PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS**

**CAMERA ANGLE: NORTHERLY**



- Since 1964 -

**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

**LOCATION PHOTOS**

**11 29 06**  
MONTH DAY YEAR

**PHOTO**

TAKEN BY: G.O. | DRAWN BY: A.A. | REVISED: 00-00-00

# QUINEX ENERGY COMP.

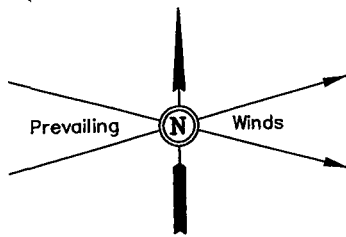
## LOCATION LAYOUT FOR

JSW FEDERAL #2-26

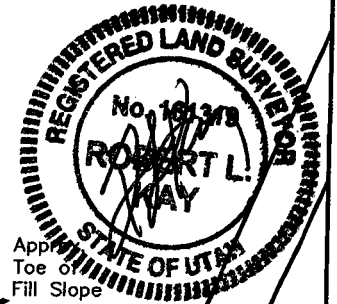
SECTION 26, T9S, R17E, S.L.B.&M.

660' FNL 660' FWL

FIGURE #1

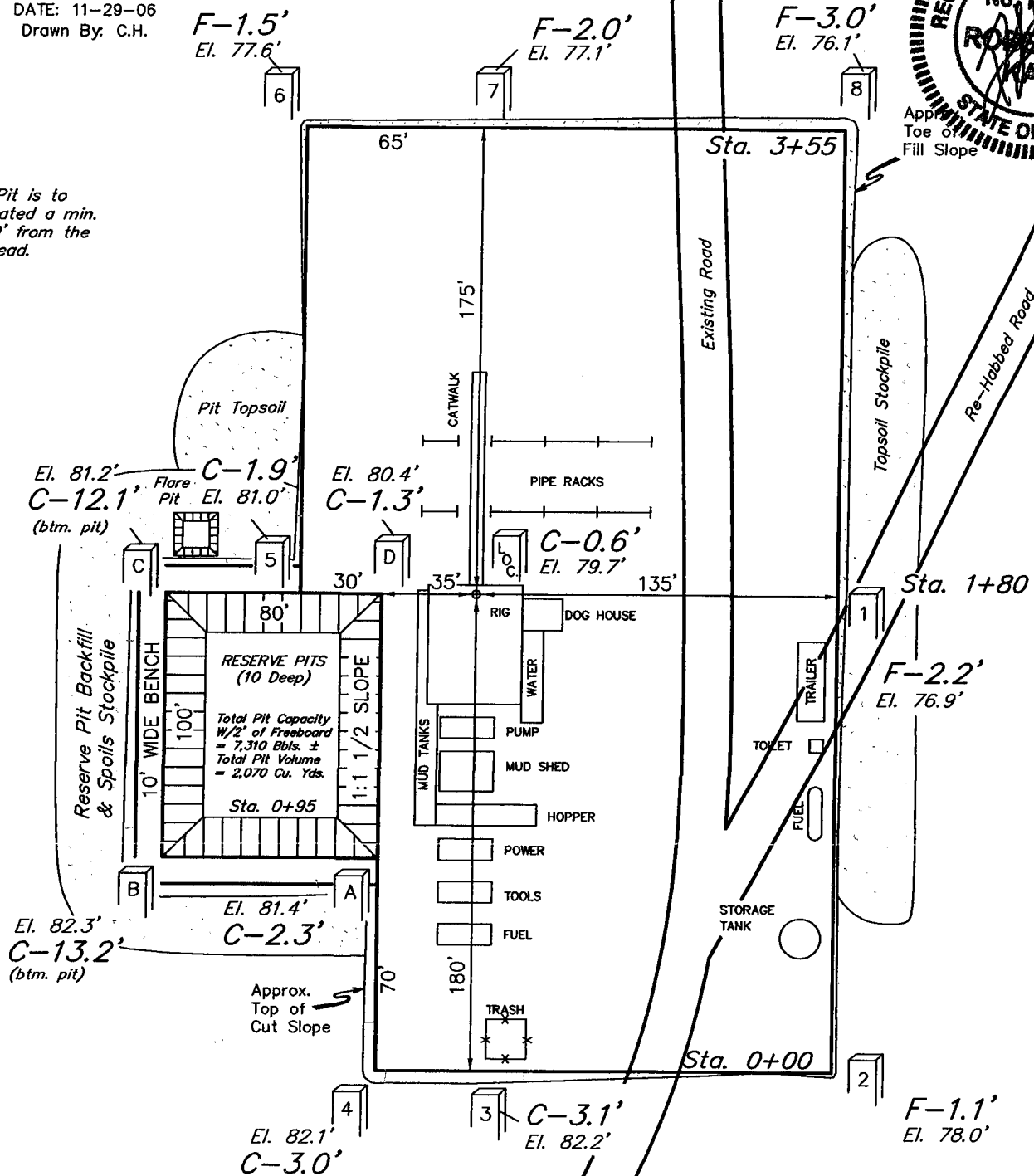


SCALE: 1" = 60'  
DATE: 11-29-06  
Drawn By: C.H.



### NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



Elev. Ungraded Ground at Location Stake = 5279.7'

Elev. Graded Ground at Location Stake = 5279.1'

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

# QUINEX ENERGY CORP.

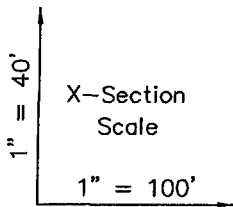
FIGURE #2

## TYPICAL CROSS SECTIONS FOR

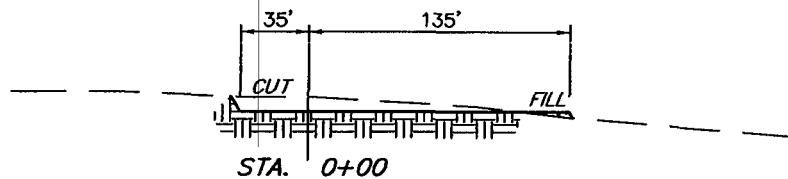
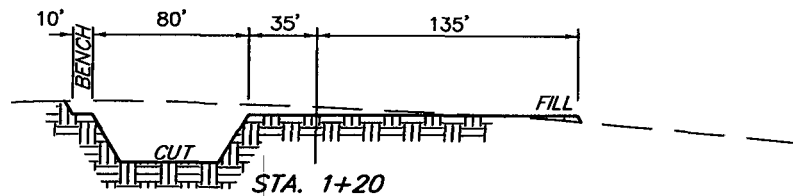
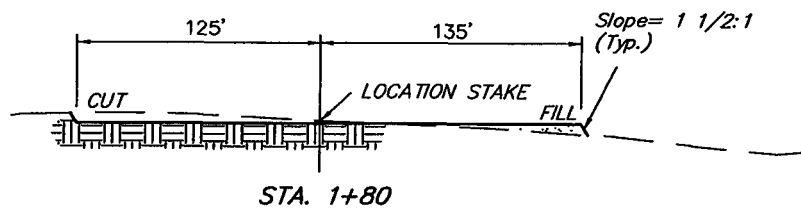
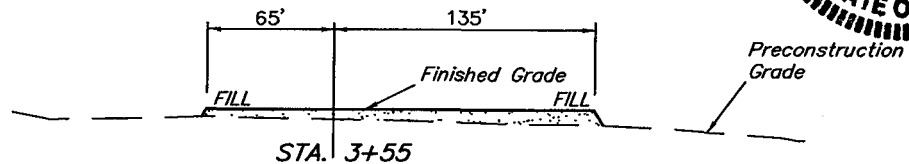
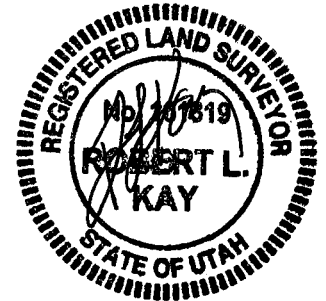
JSW FEDERAL #2-26

SECTION 26, T9S, R17E, S.L.B.&M.

660' FNL 660' FWL



DATE: 11-29-06  
Drawn By: C.H.



### NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

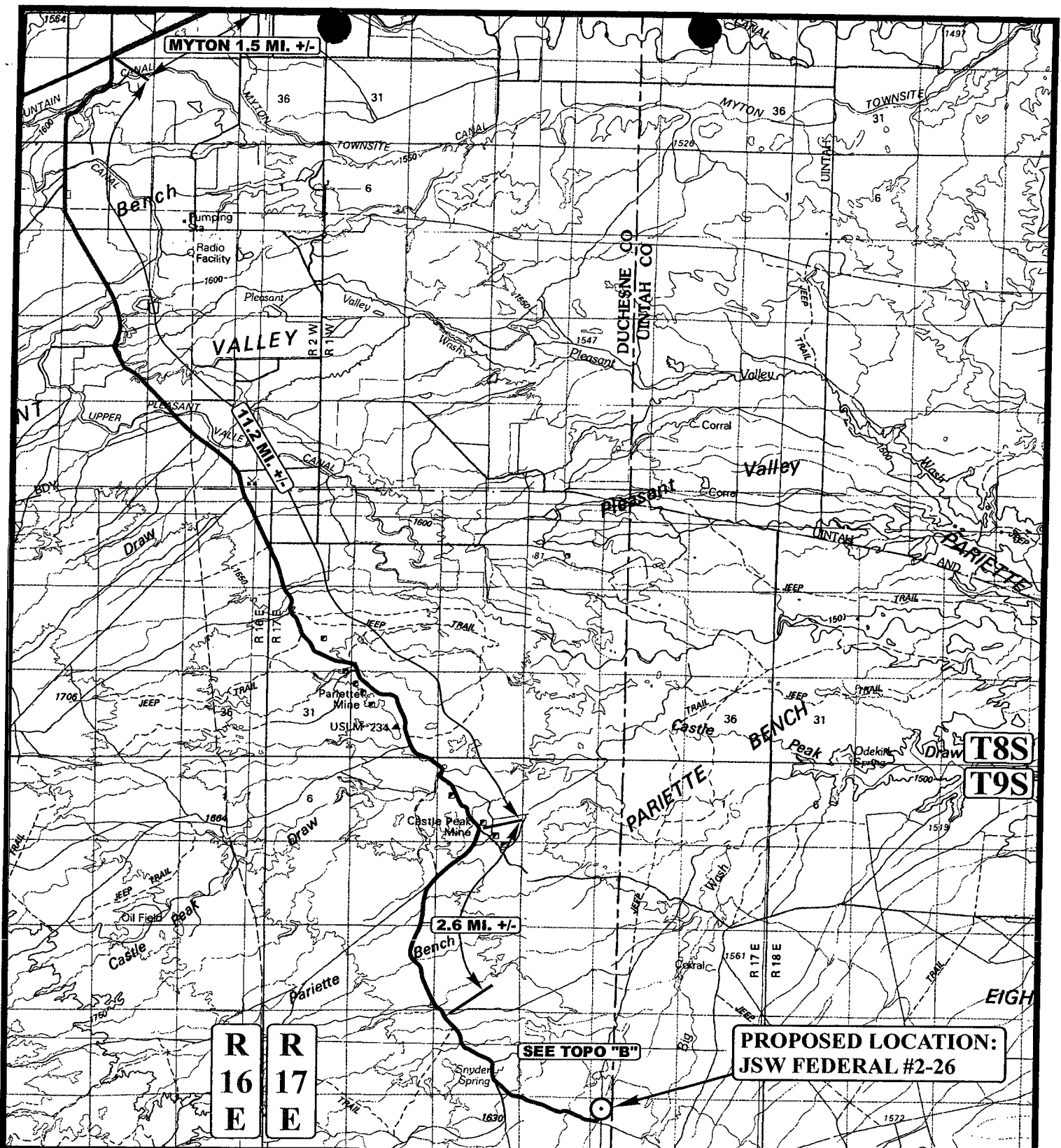
\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

### APPROXIMATE YARDAGES

CUT  
(6") Topsoil Stripping = 1,510 Cu. Yds.  
Remaining Location = 3,750 Cu. Yds.  
TOTAL CUT = 5,260 CU.YDS.  
FILL = 2,710 CU.YDS.

EXCESS MATERIAL = 2,550 Cu. Yds.  
Topsoil & Pit Backfill = 2,550 Cu. Yds.  
(1/2 Pit Vol.)  
EXCESS UNBALANCE = 0 Cu. Yds.  
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017



# **LEGEND:**

⊙ PROPOSED LOCATION



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



## **QUINEX ENERGY CORP.**

JSW FEDERAL #2-26  
 SECTION 26, T9S, R17E, S.L.B.&M.  
 660' FNL 660' FWL

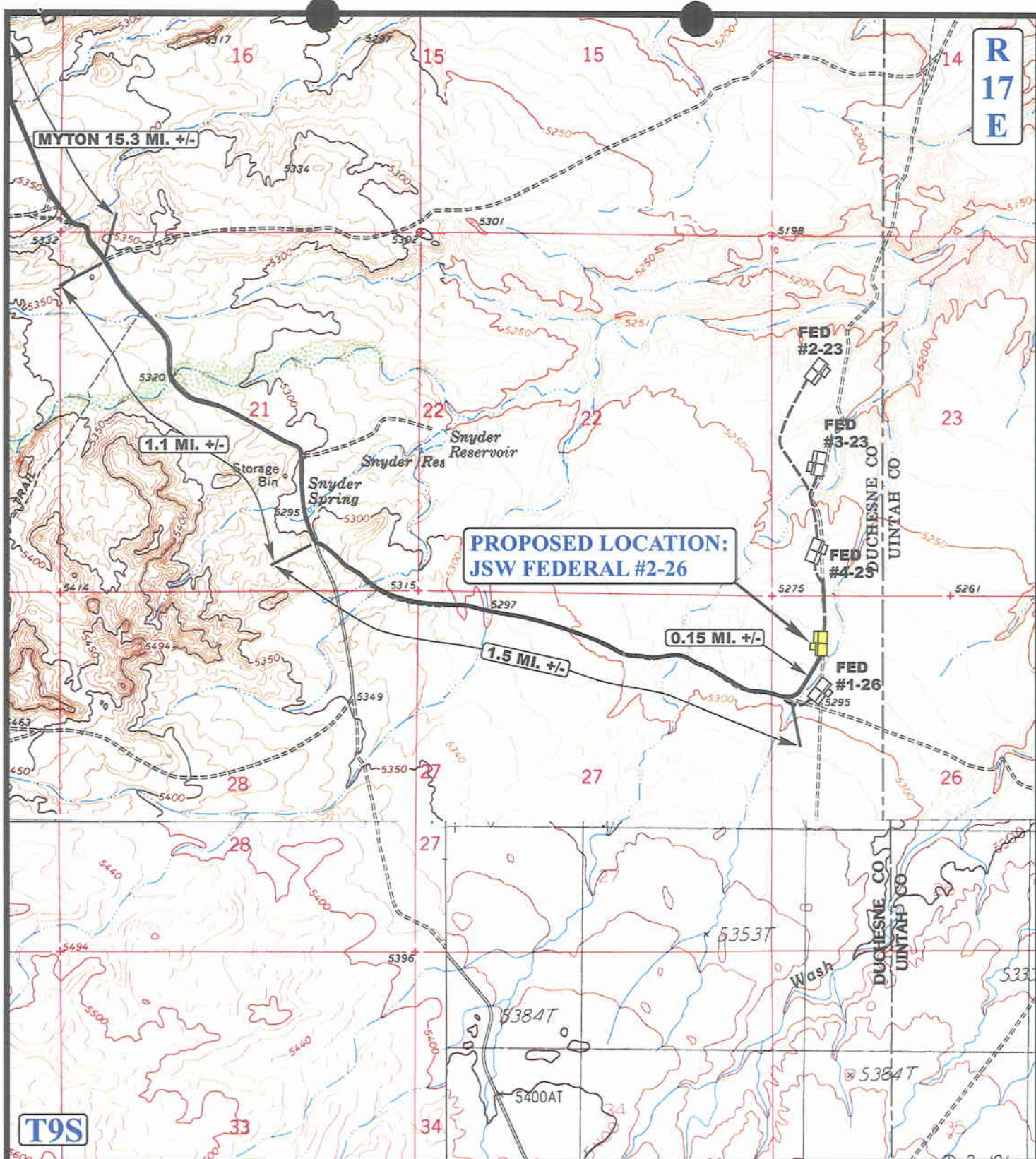
**TOPOGRAPHIC**  
**MAP**

11 29 06  
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: A.A. REVISED: 00-00-00







# LEGEND:

EXISTING ROAD  
 PROPOSED ACCESS ROAD



## QUINEX ENERGY CORP.

**JSW FEDERAL #2-26**  
**SECTION 26, T9S, R17E, S.L.B.&M.**  
**660' FNL 660' FWL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

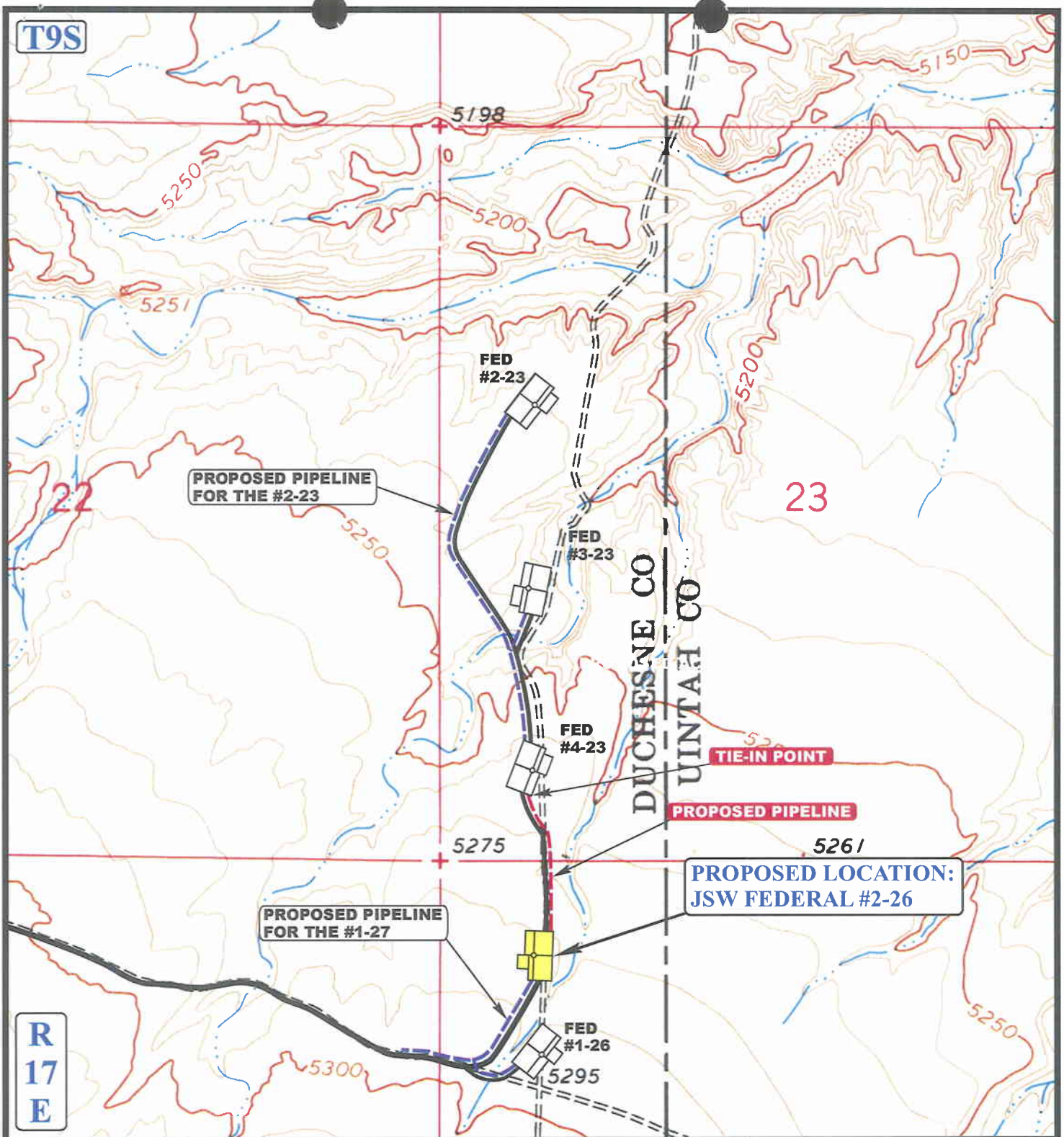
**TOPOGRAPHIC**  
**MAP**

**11 29 06**  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: A.A. REVISED: 00-00-00







APPROXIMATE TOTAL PIPELINE DISTANCE = 971' +/-

# LEGEND:

PROPOSED ACCESS ROAD  
 EXISTING PIPELINE  
 PROPOSED PIPELINE

## QUINEX ENERGY CORP.

JSW FEDERAL #2-26  
 SECTION 26, T9S, R17E, S.L.B.&M.  
 660' FNL 660' FWL



Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



TOPOGRAPHIC  
 MAP

11 29 06  
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: A.A. REVISED: 00-00-00



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/09/2007

API NO. ASSIGNED: 43-013-33617

WELL NAME: JSW FED 2-26

OPERATOR: QUINEX ENERGY CORP ( N9995 )

PHONE NUMBER: 801-292-3800

CONTACT: DEFORREST SMOUSE

PROPOSED LOCATION:

NWNW 26 090S 170E

SURFACE: 0660 FNL 0660 FWL

BOTTOM: 0660 FNL 0660 FWL

COUNTY: DUCHESNE

LATITUDE: 40.00737 LONGITUDE: -109.9803

UTM SURF EASTINGS: 587033 NORTHINGS: 4428863

FIELD NAME: UNDESIGNATED ( 2 )

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-80566

PROPOSED FORMATION: DGCRK

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. UTB000107 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. 43-1721 )  
☒ RDCC Review (Y/N)  
(Date: )  
☒ Fee Surf Agreement (Y/N)  
☒ Intent to Commingle (Y/N)

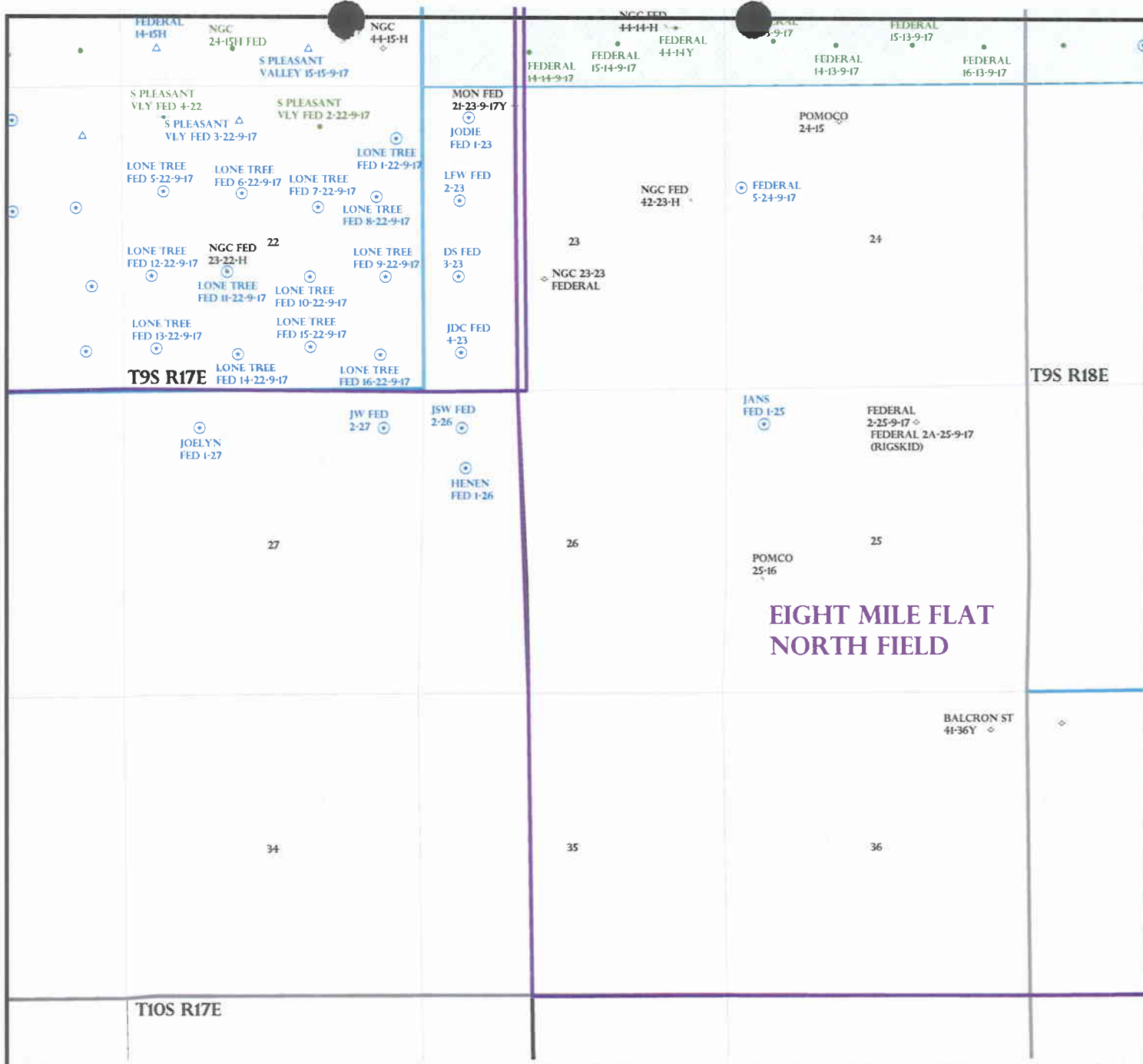
LOCATION AND SITING:

\_\_\_ R649-2-3.  
Unit: \_\_\_  
☒ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells  
\_\_\_ R649-3-3. Exception  
\_\_\_ Drilling Unit  
Board Cause No: \_\_\_  
Eff Date: \_\_\_  
Siting: \_\_\_  
\_\_\_ R649-3-11. Directional Drill

COMMENTS: \_\_\_\_\_

STIPULATIONS: \_\_\_\_\_

1- Federal Approval  
2- Spacing Strip



OPERATOR: QUINEX ENERGY CORP (N9995)

SEC: 26,27 T.9S R. 17E

FIELD: UNDESIGNATED (002)

COUNTY: Duchesne

SPACING: R649-3-2 / GENERAL SITING

**Field Status**

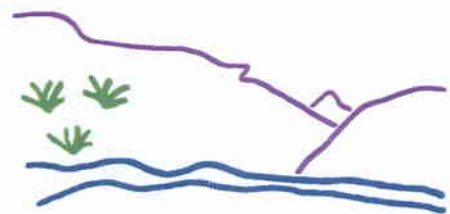
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

**Unit Status**

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

**Wells Status**

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON  
DATE: 10-APRIL-2007



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

April 11, 2007

Quinex Energy Corporation  
465 S 200 W  
Bountiful, UT 84010

Re: JSW Federal 2-26 Well, 660' FNL, 660' FWL, NW NW, Sec. 26, T. 9 South,  
R. 17 East, Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-33617.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Duchesne County Assessor  
Bureau of Land Management, Vernal Office

Operator: Quinex Energy Corporation  
Well Name & Number JSW Federal 2-26  
API Number: 43-013-33617  
Lease: UTU-80566

Location: NW NW                      Sec. 26                      T. 9 South                      R. 17 East

### Conditions of Approval

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### 2. Notification Requirements

Notify the Division with 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 office  
(801) 733-0983 home

#### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

#### 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

#### 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
QUINEX ENERGY CORPORATION

3. ADDRESS OF OPERATOR:  
465 SOUTH 200 WEST BOUNTIFUL UT 84010  
PHONE NUMBER: (801) 292-3800

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 660' FNL 660' FWL SECTION 26, T 9 S, R 17 E

5. LEASE DESIGNATION AND SERIAL NUMBER:  
UTU-80566

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
FEDERAL

7. UNIT or CA AGREEMENT NAME:  
FEDERAL

8. WELL NAME and NUMBER:  
JSW FEDERAL 2-26

9. API NUMBER:  
43-013-32617

10. FIELD AND POOL, OR WILDCAT:  
UNDESIGNATED

COUNTY: DUCHESNE

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

QUINEX ENERGY PLANS TO CHANGE BOTTOM CASING FROM P110 TO N80. PALEONTOLOGIST HAS BEEN REQUESTED TO DO SURVEY FOR FOSSILS AND SUBMIT REPORT DIRECTLY TO BLM IN VERNAL, UTAH

RECEIVED

JUN 18 2007

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) DEFORREST SMOUSE

TITLE PRESIDENT

SIGNATURE

*Deforrest Smouse*

DATE 6/12/2007

(This space for State use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining

Federal Approval Of This  
Action Is Necessary

(5/2000)

(See Instructions on Reverse Side)

Date: 7/9/07  
By: *[Signature]*

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  <small>Do not use this form for proposals to drill new wells, deepen existing wells or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN for such Proposals.</small>		5. Lease Designation and Serial Number: <b>FEDERAL UTU - -80566</b>
		6. If Indian, Allocated or Tribe Name <b>FEDERAL</b>
		7. Unit Agreement Name, <b>FEDERAL</b>
		8. Well Name and Number: <b>JSW FEDERAL 2-26</b>
1. Type of Well:    OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER:		9. AP Well Number: <b>43-013-33617</b>
2. Name of Operator: <b>QUINEX ENERGY CORPORATION</b>		10. Field and Pool, or Wildcat: <b>UNDESIGNATED</b>
3. Address and Telephone Number: <b>465 South 200 West, Suite 300, Bountiful, Utah 84010</b>		
4. Location of Well: <b>660' FNL, 660" FWL SECTION 26, T 9 S, R 18 E</b> Footages: <b>NW1/4,, NW1/4, SECTION 26, T 9 S, R 17 E</b>  QQ, Sec., T., R., M.:		County: <b>DUCHESNE</b>  State: <b>Utah</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

- NOTICE OF INTENT**  
(Submit in Duplicate)
- |   |   |
|---|---|
| <input type="checkbox"/> Abandon  | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing  | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans  | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection                                   | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize                              | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion                                    | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <b>CHANGE DEPTH OF SURFACE CASING</b> |   |

Approximate date work will start \_\_\_\_\_

- SUBSEQUENT REPORT**  
(Submit Original Form Only)
- |  |   |
|--|---|
| <input type="checkbox"/> Abandon *                 | <input type="checkbox"/> New Construction       |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing   |
| <input type="checkbox"/> Change of Plans           | <input checked="" type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Vent or Flare          |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off         |
| <input type="checkbox"/> Other <b>E</b>            |   |

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

**QUINEX ENERGY PLANS TO CHANG THE DEPTH OF 8 5/8" SURFACE CASING TO 350', RATHER THAN 800'.**

Accepted by the  
 Utah Division of  
 Oil, Gas and Mining  
 FOR RECORD ONLY

13.

Name & Signature: DeForrest Smouse, PhD

Title: President, Quinex Energy

Date: 6/27/2007

(This space for State use only)

RECEIVED

JUL 06 2007

DIV. OF OIL, GAS & MINING



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☒

2. NAME OF OPERATOR

QUINEX ENERGY CORPORATION

3. ADDRESS OF OPERATOR

465 South 200 West. Bountiful. Utah 84010

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

660' FNL, 660' FWL. Section 26, T 9 S, R 17 E

At proposed prod. zone Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

±5.3 miles south of Myton, Utah

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drig. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

1800

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

1320'

19. PROPOSED DEPTH

5,600'

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GR- 5280'

22. APPROX. DATE WORK WILL START\*

July 1, 2007

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	800'	600 sks. to surface.
7 5/8"	5 1/2"	15.5#	5,600'	400 sks lite & 200 sks Class G

Quinex Energy Corporation plans on drilling two (2) wells in Section 26. Both wells will be drilled through the Green River Formation. Gas delivery will be through pipe line to Newfield's closest gas line. A survey has been made for the gas delivery system.

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DIV. OF OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

*Debra S. Smoot*

TITLE PRESIDENT

DATE: 4/4/2007

(This space for Federal or State office use)

PERMIT NO.

43-013-33617

APPROVAL DATE

Assistant Field Manager

APPROVED BY

*Debra S. Smoot*

TITLE Lands & Mineral Resources

DATE 10-29-2007

CONDITIONS OF APPROVAL, IF ANY:

VERNAL FIELD OFFICE

CONDITIONS OF APPROVAL ATTACHED

\*See Instructions On Reverse Side

NOTICE OF APPROVAL



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

Company: Quinex Energy Corp.  
Well No: JSW Federal 2-26  
API No: 43-013-33617

Location: NWNW, Sec 26, T9S, R17E  
Lease No: UTU-80566  
Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
NRS/Enviro Scientist:	Paul Buhler	(435) 781-4475	(435) 828-4029
NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:		(435) 781-4476	
NRS/Enviro Scientist:	Chuck MacDonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Jannice Cutler	(435) 781-3400	(435) 828-3544
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

Location Construction (Notify NRS/Enviro Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify NRS/Enviro Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings
BOP & Related Equipment Tests (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to initiating pressure tests
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days

***SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)***

**General Surface COAs:**

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

**Site Specific Surface COAs**

Some of these Conditions may also be found in the APD or SOP.

- **Within 90** calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee will submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the Best Management Practice of the reshaping of the pad to the original contour to the extent possible; the re-spreading of the top soil up to the rig anchor points; and, reseeding the area using appropriate reclamation methods.
- **Surface Disturbing Activities Notification:** Notify the Authorized Officer (AO) 48 hours prior to surface disturbing activities.

**Time Limitations:** (Only during construction & drilling)

- Lands in this lease have been identified as habitat for Sage Grouse, Ferruginous Hawk, Mountain Plover, Northern Harrier, and Burrowing Owl. Therefore, modifications to the Surface Use Plan of Operations will be required in order to protect this wildlife habitat from surface disturbing activities (see table below)
- | <b>TIME RESTRICTION</b> | <b>REASON</b>                   |
|-------------------------|---------------------------------|
| • March 1-June 30       | Grouse lek/nesting habitat      |
| • April 1- Aug. 15      | Burrowing Owl habitat           |
| • May 15- June 15       | Mountain Plover nesting habitat |
- **Special Status Plants:** If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.
- **Paleontology:** If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

**Access Road:**

- Access roads should meet BLM standard, and if possible, limit construction to gentle slopes in order to avoid need for special construction designs.

- The maximum disturbed width for access roads is 30 feet, and the roads shall be crowned, ditched, and constructed with a running surface of 18 feet.
- Access roads should be winding, and kept off the ridge. Install culverts, low water crossings, water bars, turn outs, etc. as necessary, in order to provide good drainage, control soil erosion, and also for safety reasons.
- **Pipelines:** The buried pipeline exception request has been reviewed, and it has been determined that the pipeline route has bedrock exposed at the surface. The exception is granted for surface, steel and poly, 2-6" pipelines. The pipelines will be laid parallel to the access roads or other existing roads and will safely tie into other existing flowlines.
  - **Note:** Pipelines will be buried at all major road and drainage crossings.
- **Wet Soil - Caution:** No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of three inches deep in a straight line travel path, the soil shall be deemed too wet to adequately support construction equipment.
- **Topsoil:** Four to six inches of topsoil shall be stripped from the location and stored for later use during reclamation.
- **Soil Erosion – Caution:** Lands where the proposed oil wells are located have been identified as vulnerable to moderate erosion. If additional erosion occurs during the life of this project, more culverts, diversion channels, berms, wing ditches, low water crossings, etc. will need to be installed/constructed in order to control erosion.
  - Due to slope on the southern side of location, build a higher berm, reinforced with gravel/stone on this side.
- **Reserve Pit:** The reserve pit will be constructed in such a way that it will not leak, break or allow discharge of fluids in it. Line the pit with a 14 ml or greater liner and felt. When the drilling operations have been completed, the oily, dark colored surface layer mainly composed of hydrocarbons should be removed (43 CFR 3162.7-1). And weather permitting; the reserve pit should be backfilled, and reclaimed within 90 days.
- **Fencing:** Any pits, and open tanks should be fenced in order to exclude livestock and other wildlife from the area, obviously preventing them from getting hurt and drinking water or fluids which could be toxic, either immediately, or development of long term cumulative adverse health impacts. The reserve pit will initially be fenced on 3 sides during drilling operations, but once drilling has ceased, and the rig has been removed, the fourth side should be fenced too. The fences will be maintained until the pit has been reclaimed.

#### **Drainages:**

- Keep drainages clear.
  - Ditches, culverts and all installments will be properly constructed in order to avoid sedimentation of drainage ways and other water resources.
  - Prevent fill and stock piles from entering drainages.

**Paint Color:** All well facilities not regulated by OSHA will be painted Carlsbad Canyon.

#### **General Maintenance:**

- The operator will be responsible for treatment and control of invasive and noxious weeds.

- Prior to any treatment on BLM administered lands, a Pesticide Use Proposal will be submitted to the Vernal Field Office for approval.

- All boulders found on the surface will be stockpiled for use during final reclamation.
- The operator shall keep the site well maintained and up-to-date.

**Interim Reclamation:**

- **Maximize** interim reclamation. Within the pad, reseed all areas not needed for production; only leave room for vehicle access.
- During interim reclamation of the surface, the following seed mixture will be used (PLS formula).
  - Indian Rice grass (Oryzopsis hymenoides) 6 lbs/acre
  - Galleta Grass (Hilaria jamesii) 6 lbs/acre
  - Rates are set for drill seeding; double the rate if broadcasting.
  - Reseeding may be required if initial seeding is not successful.
  - **If no germination after two attempts, contact BLM authorized officer.**

**Final Reclamation:**

- See APD
- Once the location is plugged and abandoned, it shall be recontoured to natural topography, topsoil shall be re-spread, and the entire location shall be seeded with a seed mixture recommended by the A.O. **Seed application will follow all guidelines recommended for seedbed preparation, planting, watering, and seedling care after germination.**

## **DOWNHOLE CONDITIONS OF APPROVAL**

### **SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL**

- Production casing cement shall be brought up and into the surface.
- BOPE system, rated at 5m, shall be tested with a Test Plug.

**All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to.** The following items are emphasized:

### **DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or



data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU - 80566</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>FEDERAL</b>
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>JSW FEDERAL</b>
2. NAME OF OPERATOR: <b>QUINEX ENERGY CORPORATION</b>		8. WELL NAME and NUMBER: <b>JSW FEDERAL 2-26</b>
3. ADDRESS OF OPERATOR: <b>465 SOUTH 200 WEST BOUNTIFUL UT 84010</b>		9. API NUMBER: <b>43-013-33617</b>
PHONE NUMBER: <b>(801) 292-3800</b>		10. FIELD AND POOL, OR WILDCAT: <b>SOUTH MONUMENT BUTTE</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>660' FNL 660' FWL SECTION 26, T 9 S, R 17 E</b> COUNTY: <b>DUCHESNE</b> QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 26 9S 17E U</b> STATE: <b>UTAH</b>		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <b>SPUD WELL</b>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>11/7/2007</b>			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

SPUD WELL WITH RAT HOLE DIGGER, DRILLED 12 1/2" HOLE TO 445'. RAN 445' OF 8 5/8" CASING & CEMENTED TO SURFACE CASING WITH 250 SKS PREMIUM CEMENT. CEMENT TO SURFACE THEN DROPPED 20'. TOPPED CEMENT OFF FROM SURFACE. CEMENT AT SURFACE. READY TO DRILL OUT.

NAME (PLEASE PRINT) <u>DeForrest Smouse</u>	TITLE <u>PRESIDENT</u>
SIGNATURE <u><i>DeForrest A. Smouse</i></u>	DATE <u>11/13/2007</u>

(This space for State use only)

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DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

**ENTITY ACTION FORM**

Operator: QUINEX ENERGY CORPORATION Operator Account Number: N 9995  
Address: 465 SOUTH 200 WEST  
city BOUNTIFUL  
state UT zip 84010 Phone Number: (801) 292-3800

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
013-33617	JSW FEDERAL 2-26		NWNW	26	9S	17E	DUCHESNE
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	16514	11/7/2007			11/26/07	
Comments: <u>DG CRK</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

DeForrest Smouse

Name (Please Print)

DeForrest Smouse

Signature

PRESIDENT

11/13/2007

Title

RECEIVED Date

NOV 15 2007

DIV. OF OIL, GAS & MINING

**NOTICE OF LATE REPORTING  
DRILLING & COMPLETION INFORMATION**

Utah Oil and Gas Conservation General Rule R649-3-6 states that,

- Operators shall submit monthly status reports for each drilling well (including wells where drilling operations have been suspended).

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
  - Form 8, Well Completion or Recompletion Report and Log
  - A copy of electric and radioactivity logs, if run
  - A copy of drillstem test reports,
  - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
  - A copy of core analyses, and lithologic logs or sample descriptions if compiled
  - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

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As of the mailing of this notice, the division has not received the required reports for

Operator: Quinex Energy Corp. Today's Date: 04/21/2008

Well:	API Number:	Drilling Commenced:
LFW Fed	4301332788	10/25/2007
JSW Fed 2-26 9S 17E 26	4301333617	11/07/2007

☐ List Attached

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please contact Rachel Medina  
at (801) 538-5260.

cc: Well File  
Compliance File

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8  
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

<b>1a. TYPE OF WELL:</b> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____						<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-80566			
<b>b. TYPE OF WORK:</b> NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____						<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> FEDERAL			
<b>2. NAME OF OPERATOR:</b> OQUINEX ENERGY CORPORATION						<b>7. UNIT or CA AGREEMENT NAME:</b> FEDERAL			
<b>3. ADDRESS OF OPERATOR:</b> 465 S. 200 W. CITY BOUNTIFUL STATE UT ZIP 84010						<b>8. WELL NAME and NUMBER:</b> JSW FEDERAL 2-26			
<b>4. LOCATION OF WELL (FOOTAGES):</b> AT SURFACE: 660' FNL, 660' FWL, Section 26, T9S, R17E AT TOP PRODUCING INTERVAL REPORTED BELOW: 660' FNL, 660' FWL Section 26, T9S, R17E AT TOTAL DEPTH: 660' FNL, 660' FWL Section 26, T9S, R17E						<b>9. API NUMBER:</b> 43013-33617			
<b>10. FIELD AND POOL, OR WILDCAT:</b> Monument Bute South						<b>11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> NWNW 26 9S 17E U			
<b>12. COUNTY:</b> DUCHESTER						<b>13. STATE:</b> UTAH			
<b>14. DATE SPURRED:</b> 11/5/2007		<b>15. DATE T.D. REACHED:</b> 11/10/2007		<b>16. DATE COMPLETED:</b> 5/15/2008		<b>ABANDONED</b> <input type="checkbox"/> <b>READY TO PRODUCE</b> <input checked="" type="checkbox"/>		<b>17. ELEVATIONS (DF, RKB, RT, GL):</b> KB -5,298'	
<b>18. TOTAL DEPTH: MD 5,607 TVD 5,606</b>		<b>19. PLUG BACK T.D.: MD 5,607 TVD 5,606</b>		<b>20. IF MULTIPLE COMPLETIONS, HOW MANY? *</b> 4		<b>21. DEPTH BRIDGE MD PLUG SET: TVD</b>			
<b>22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)</b> <i>Camp Density / Camp Neutron / GR Dual Induction / Guard / GR</i>						<b>23.</b> WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)			
<b>24. CASING AND LINER RECORD (Report all strings set in well)</b>									
HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/2"	8 5/8" J55	46#	0	445	445	G 250		SURFACE	0
7 5/8"	5 1/2" N80	15.5#	0	5,606	5,606	G 750		SURFACE	0
<b>25. TUBING RECORD</b>									
SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	
2 7/8"									
<b>26. PRODUCING INTERVALS</b>					<b>27. PERFORATION RECORD</b>				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) Green River fm.	5,353	5,458	5,353	5,458	5,353 5,458	0.3	81	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B) Green River fm	5,022	5,200	5,022	5,200	5,022 5,200	0.3	39	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(C) Green River fm	4,463	4,649	4,463	4,649	4,463 4,649	0.3	36	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(D) Green River fm	4,049	4,268	4,049	4,268	4,049 4,268	0.3	108	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
<b>28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.</b>									
DEPTH INTERVAL		AMOUNT AND TYPE OF MATERIAL							
4 ZONES		See Attached frac report							
<b>29. ENCLOSED ATTACHMENTS:</b>									
<input checked="" type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION					<input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS				
<input type="checkbox"/> DST REPORT					<input type="checkbox"/> DIRECTIONAL SURVEY <input type="checkbox"/> OTHER _____				
<b>30. WELL STATUS:</b> producing								<b>RECEIVED</b> JUL 23 2008 DIV. OF OIL, GAS & MINING	

## 31. INITIAL PRODUCTION

## INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 6/13/2008		TEST DATE: 6/28/2008		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 38		GAS – MCF: 0		WATER – BBL: 43		PROD. METHOD: rod pump	
CHOKE SIZE:	TBG. PRESS. 70	CSG. PRESS. 70	API GRAVITY 32.00	BTU – GAS	GAS/OIL RATIO 0	24 HR PRODUCTION RATES: →	OIL – BBL: 38	GAS – MCF: 0	WATER – BBL: 43	INTERVAL STATUS: open					

## INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 6/13/2008		TEST DATE: 6/28/2008		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 38		GAS – MCF: 0		WATER – BBL: 43		PROD. METHOD: rod pump	
CHOKE SIZE:	TBG. PRESS. 70	CSG. PRESS. 70	API GRAVITY 32.00	BTU – GAS	GAS/OIL RATIO 0	24 HR PRODUCTION RATES: →	OIL – BBL: 38	GAS – MCF: 0	WATER – BBL: 43	INTERVAL STATUS: open					

## INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED: 6/13/2008		TEST DATE: 6/28/2008		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 38		GAS – MCF: 0		WATER – BBL: 43		PROD. METHOD: rod pump	
CHOKE SIZE:	TBG. PRESS. 70	CSG. PRESS. 70	API GRAVITY 32.00	BTU – GAS	GAS/OIL RATIO 0	24 HR PRODUCTION RATES: →	OIL – BBL: 38	GAS – MCF: 0	WATER – BBL: 43	INTERVAL STATUS: open					

## INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED: 6/13/2008		TEST DATE: 6/28/2008		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 38		GAS – MCF: 0		WATER – BBL: 43		PROD. METHOD: rod pump	
CHOKE SIZE:	TBG. PRESS. 70	CSG. PRESS. 70	API GRAVITY 32.00	BTU – GAS	GAS/OIL RATIO 0	24 HR PRODUCTION RATES: →	OIL – BBL: 38	GAS – MCF: 0	WATER – BBL: 43	INTERVAL STATUS: open					

## 32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

USED ON LOCATION FOR PUMP &amp; HEATING TANK &amp; LINES

## 33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Garden Gulch	3,188	3,478	Mudston, marlstone & sandstone		
X Marker	3,910		Limestone & Sandstone		
Y Marker	3,967		Limestone & Sandstone		
Douglas Creek	4,124	4,872	Sandstone, mudstone & limestone		
Black Shale	4,872	4,911	Marlstone, oil shale		
Castle Creek	4,911	5,362	Sandstone, mudstone & marlstone		
Basal Carbonate	5,362		Marly limestone-dolomite		

## 35. ADDITIONAL REMARKS (Include plugging procedure)

The JSW Federal 2-26 was fraced in 4 stages. See attached sheet. Peforations list attached. All stages combined for production

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) DeForrest Smouse

TITLE President

SIGNATURE

DATE 7/7/2008

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

**JSW FEDERAL 2-26**  
**660' FNL, 660' FWL,**  
**SECTION 26, T 9 S, R 17 E**  
**DUCHESNE COUNTY, UTAH**  
**Elevation: GR – 5280', KB – 5298'**  
**SELECTED PERFORATIONS**

The following perforations have been selected for the JSW Federal 2-26. Each foot will be perforated with 3 shots per foot with 160° between each shot. The perforating company will use a four (4) inch gun loaded with Power Pack jets for maximum penetration. Zone tops will be correlated to the gamma ray log on the Compensated Neutron-Formation Density Log and the casing bond log. Pressures will be checked after each individual zone is perforated and reported to company man.

<u><b>ZONE</b></u>	<u><b>DEPTH</b></u>	<u><b>PERFS</b></u>
1.	5,449, 53, 55, 57, 58'	15
2.	5,419, 20, 21'	9
3.	5,354, 55, 58, 59'	15
4.	5,419, 20, 21	9
5.	5,364, 66, 68, 69'	12
6.	5,196, 98, 200'	9
7.	5,043, 45, 47'	9
8.	4,644, 47, 48, 49'	12
9.	4,464, 65, 66, 67, 68, 69'	18
10.	4,260, 61, 63, 67, 68'	15
11.	4,250, 52, 54, 56'	12
12.	4,202, 03, 05, 07, 08'	15
13.	4,189, 90, 91, 92'	12
14.	4,050, 52, 54, 56, 58'	15
<b>TOTAL PERFORATIONS</b>		<b>177</b>

**QUINEX ENERGY CORPORATION**  
**JSW FEDERAL 2-26**  
**FRAC DATA**  
**May 7, 2008**

**STAGE #1**

5,353-5,458' - 5 zones 27 ft. 81 perfs      See Perforation sheet attached.  
23,350 lbs 20/40 white sand & 15,726 gal total W/ 55 gal GW-3LD, 36 gal NE-940,  
18 gal Claytreat, 17 gal BF-7L , 19 gal XLW-32, 5 lb. GBW-32 & 10lb. CRB LT  
500 gal 15% HCl 9,984 gal lightning & 4742 gal slick water flush.  
Max Pres-2,770 psi, Aver Pres 2475 psi, Max Rate 27 bpm, Aver Rate 27 bpm.  
ISIP - 1810 psi

**STAGE #2**

5,022-5,200' - 3 zones 13 ft. 39 perfs      See Perforation sheet attached.  
17839 lb 20/40 white sand & 10,763 bbl. frac fluid. W/ 35 gal GW-3LD, 17 gal  
NE- 940, 11 gal Claytreat, 8 gal BF-7L , 8 gal XLW-32, 5 lb. GBW-32 &  
10 lb. CRB LT 500 gal 15% HCl 5,907 gal lightning & 4355 gal slick water flush.  
Max Pres-2,595 psi, Aver Pres 2,271 psi, Max Rate 27 bpm, Aver Rate 27 bpm.  
ISIP = 1,990 psi.

**STAGE #3**

4,463-4,649' - 2 zones 12 ft. 36 perfs      See Perforation sheet attached.  
20,372 lb 20/40 white sand & 11,001 gal. frac fluid. W/ 35 gal GW-3LD, 17 gal  
NE- 940, 12 gal Claytreat, 9 gal BF-7L , 9 gal XLW-32, 10 lb. GBW-32 &  
10 lb. CRB LT, 500 gal HCl, 6,696 gal lightning & 4305 gal slick water flush.  
Max Pres-2,333 psi, Aver Pres 2,601 psi, Max Rate 27 bpm, Aver Rate 27 bpm.  
ISIP = 1,950 psi.

**STAGE #4**

4,049-4,268' - 5 zones 36 ft. 108 perf      See Perforation sheet attached  
68,197 lb 20/40 white sand & 21,549 gal. frac fluid. W/ 84 gal GW-3LD, 46 gal  
NE- 940, 18 gal Claytreat, 27 gal BF-7L , 26 gal XLW-32, 25 lb. GBW-5 &  
5 lb. CRB 33, 500 gal HCl, 17,656 gal lightning & 3,906 gal slick water flush.  
Max Pres-2,482 psi, Aver Pres 2,233 psi, Max Rate 27 bpm, Aver Rate 27 bpm.  
ISIP = 2,020 psi. 5 min = 1805 psi, 10 min = 1760 psi, 15 min = 1686 psi



43-013-33617  
26 9s 17e

**QUINEX ENERGY CORPORATION**  
**JSW FEDERAL 2-26**  
**DRILLING REPORT.**

11/01/2007 Started moving dirt with Huffman Construction. Scraped off top soil and pad layout. Started on pit.

11/02/2007 0900-1800 Move dirt constructed reserve pit.

11/03/2007 0900-1700 Finished pit & getting location to grade.

11/05/2007 Moved in rat hole drill rig and rigged up.

11/06/2007 Drilled down to 427' having difficulty getting returns. Rocks falling in on top of bit.

11/07/2007 Finished drilling 12 1/4" hole. Picked up 8 5/8" casing and ran it into hole to 445' with float collar @ 403'. Cemented surface casing with 250 sks of cement with returns to surface. Cement fell down 20' and topped it off with cement. Shut down for day to allow cement to set.

11/08/2007 Drilled rat and mouse hole. Finished off grading surface, and installed pit liner. Dug and set collar ring. Cut off surface casing & welded on well head. Shut down for night.

11/11/2007 Moved in Patterson #77 drill rig. Hauled fresh water to reserve pit.

11/12/2007 Rigged up drilling rig. Nipple up and tested BOPs. Picked up BHA.

11/13/2007 Ran in hole to shoe & circulated hole. Drilled up collar and shoe. Rig service & ran survey= 1/2°. Drilled to 1579' running survey @ 1500' 2/3°. Drilled down to 1771'.

11/14/2007 Drilled to 2,060'. Fought lost circulation. Ran sweeps to regain circulation. Drilled to 3,146' with 8-10 on bit with 50-80% returns. Loss possible 1500 bbls. Tripped out for rotary table repair.

11/15/2007 Changed out rotary table & drilled. Reamed from 3114-3146'. Drilled down to 3,688'. Returns were 40-70%. Circulated for 1 hour & well took a big drink approx. 1,200 bbls

11/16/2007 06:00-14:00 Trip to bottom, had no fill. 06:00-14:00 Drilled to 4,102'. 14:00-14:30 Serviced rig. 14:30-06:00 Drilled to 4,771'.

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11/17/2007 06:00-10:00 Mixed mud. Drilled to 4,860'. 10:00-13:00 Dropped survey @4,685' = 5/7°. Trip out of hole. 14:30-18:30 Rig repair draw works motor. 14:30-18:30 Picked up Smith bit & tripped in hole. 18:30-06:00 Drilled to 5378'.

11/18/2007. 06:00-10:00 Drilled to 5,604'. Survey @ 5,526' = 1 2/3°. 10:00-11:00 Circulated bottoms up, pull sweep and fill hole. 11:00-15:00 Tripped out of hole. Rigged up PSI and ran E-logs. 19:30-24:00 Trip in hole and circulated up bottoms. 24:00-06:00 Tripped out and laid down drill string. Rig up lay down crew.

11/19/2007 06:00-13:00 Rigged up and ran 5 ½" casing. 13:00-13:30 Circulated casing. 13:30-15:30 Cemented casing. 15:30-18:00 Nipple down BOPs. 18:00-19:00 Nipple up BOPs. 19:00-0:600 Rig down.

11/20/2007 Rig down & move off drill rig.

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2

**QUINEX ENERGY CORPORATION**  
**JSW FEDERAL 2-26**  
**Post Drill Report**

<b>December 2007</b>	<b>Waiting on completion..</b>
<b>January 2008</b>	<b>Waiting on completion.</b>
<b>February 2008</b>	<b>Waiting on completion.</b>
<b>March 2008</b>	<b>Waiting on completion.</b>
<b>April 2008</b>	<b>Waiting on completion.</b>
<b>May 1- 7/ 2008</b>	<b>Waiting on completion</b>
<b>May 7/ 2008</b>	<b>Commenced Completion</b>

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**From:** "Mike Hebertson" <mike@quinexenergy.com>  
**To:** <CAROLDANIELS@UTAH.GOV>  
**Date:** 8/20/2008 4:03 PM  
**Subject:** Well Information Changes  
**Attachments:** Wells Stat Sheet.xls

The attached spreadsheet contains corrections to Quinex wells that will help update your files

43 013 33617  
JSW Fed 2-26  
9S 17E 26

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# QUINCY ENERGY CORP

API Well Number	Well Name	County	Qtr/Qtr	Sec	T-R	Ft. NS	NS	Ft. EW	EW	Well Status	Well Type
43-047-31889	ALLRED 2-32A1E	Uintah	SESW	32	1S-1E	660	S	1521	W	POW	Oil Well
43-047-31713	BOWEN-BASTIAN 1-14A1	Uintah	SESW	14	1S-1W	398	S	2030	W	POW	Oil Well
43-013-32162	BRITTANY 4-12A3	Duchesne	C-NE	12	1S-3W	1320	N	1320	E	POW	Oil Well
43-047-31695	CHASEL-SPROUSE 1-18A1E	Uintah	SWNW	18	1S-1E	1516	N	804	W	POW	Oil Well
43-047-31711	CMS 1-13A1	Uintah	NENW	13	1S-1W	1300	N	1530	W	POW	Oil Well
43-047-39983	D.C. FED 1-11	Uintah	NENE	11	11S-20E	839	N	650	E	Permit	Gas Well
43-047-39982	D.C. FED 2-11	Uintah	NENE	11	11S-20E	829	N	621	E	Permit	Gas Well
43-013-32149	DAVID 3-7B2	Duchesne	NWSE	7	2S-2W	1547	S	1749	E	POW	Oil Well
43-047-31874	DEEP CREEK 2-19A2E	Uintah	NWSW	19	1S-2E	2421	S	980	W	POW	Oil Well
43-013-32787	DS FED 3-23	Duchesne	NWSW	23	9S-17E	1986	N	612	W	SI	Oil Well
43-047-39196	HELEN FED 1-26	Uintah	SWNW	26	9S-17E	1367	N	721	W	New Permit	Oil Well
43-047-39195	JANS FED 1-25	Uintah	NWNW	25	9S-17E	660	N	660	W	Permit	Oil Well
43-013-32789	JDC FED 4-23	Duchesne	SWSW	23	9S-17E	600	S	661	W	SI	Oil Well
43-013-31248	JODIE 3-36A3	Duchesne	NWNE	36	1S-3W	752	N	1662	E	POW	Oil Well
43-013-32786	JODIE FED 1-23	Duchesne	NWNW	23	9S-17E	563	N	832	W	POW	Oil Well
43-047-39198	JOELYN FED 1-27	Uintah	CNNW	27	9S-17E	660	N	1320	W	New Permit	Oil Well
43-013-31216	JOHN 2-7B2	Duchesne	NWNW	7	2S-2W	484	N	671	W	POW	Oil Well
43-013-31882	JOHN CHASEL 3-6A2	Duchesne	SWSE	6	1S-2W	660	S	1400	E	SI	Oil Well
43-013-33617	JSW FED 2-26	Duchesne	NWNW	26	9S-17E	660	N	660	W	POW	Oil Well
43-013-33618	JW FED 2-27	Duchesne	NENE	27	9S-17E	656	N	705	E	Permit	Oil Well
43-047-31828	LESLIE TAYLOR 24-5	Uintah	SWNW	24	1S-1W	2450	N	1260	W	POW	Oil Well
43-013-32788	LFW FED 2-23	Duchesne	SWNW	23	9S-17E	1980	N	661	W	POW	Oil Well
43-047-31714	MALNAR-PIKE 1-17A1E	Uintah	SWSW	17	1S-1E	660	S	660	W	POW	Oil Well
43-013-31247	MERLENE 2-36A3	Duchesne	SESE	36	1S-3W	1040	S	1100	E	SI	Oil Well
43-047-31390	MICHELLE UTE 7-1	Uintah	NESW	7	1S-1E	1539	S	2439	W	POW	Oil Well
43-013-30381	UTE TRBL 11-6A2	Duchesne	SESW	6	1S-2W	2227	N	1561	W	POW	Oil Well
43-047-31591	REDCAP J D C 30-4-1A	Uintah	NWNW	30	1S-2E	876	N	669	W	SI	Oil Well
43-047-31653	SAM HOUSTON 24-4	Uintah	NWSE	24	1S-1W	1350	S	1400	E	POW	Oil Well
43-013-32129	SASHA 4-6A2	Duchesne	SWSW	6	1S-2W	660	S	660	W	SI	Oil Well
43-047-31940	EINERSON 1-4B1E	Uintah	SWSW	4	2S-1E	1056	S	795	W	POW	Oil Well
43-013-32131	TRISTAN 5-6A2	Duchesne	NWNW	6	1S-2W	660	N	660	W	POW	Oil Well
43-047-30127	UINTAH-SAM 28-2R	Uintah	NESW	28	1N-1E	2111	S	1847	W	POW	Oil Well
43-013-30042	UTE TRIBAL U 2-12A3	Duchesne	SWSW	12	1S-3W	1322	S	1325	W	SI	Oil Well
43-047-33179	WADE COOK 2-14A1	Uintah	NWNW	14	1S-1W	705	N	662	W	POW	Oil Well
43-047-31845	MARY R. U. 278	Uintah	NWSE	13	1S-1W	1971	S	2072	E	POW	Oil Well

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DIV. OF OIL, GAS & MINING

Field Name	Surface	Mineral	UTM E	UTM N	Elev. GR	Elev. KB	TD	PBTD	
BLUEBELL	Fee	Fee	592565	4466702	5362	5383	12750	12743	
BLUEBELL	Fee	Fee	587831	4471387	5610	5634	14055	13982	
BLUEBELL	Indian	Indian	570808	4473805	6532	6553	15790	15782	
BLUEBELL	Fee	Fee	590665	4472468	5571	5595	14300	14300	
BLUEBELL	Fee	Fee	589279	4472503	5608	5622	14200	14161	
HILL CREEK	Federal	Federal	616404	4415106	5095				
HILL CREEK	Federal	Federal	616412	4415109	5087				
BLUEBELL	Fee	Fee	572323	4463431	5848	5869	13527	13523	
BLUEBELL	Fee	Fee	600377	4470560	5392	5418	13900	13859	
MONUMENT BUTTE	Federal	Federal	587015	4429669	5224	5238	5800	5280	
UNDESIGNATED	Federal	Federal	587054	4428648	5290				
8 MILE FLAT NORTH	Federal	Federal	588644	4428882	5290				
MONUMENT BUTTE	Federal	Federal	587029	4429265	5260	5272	5700	5700	
BLUEBELL	Indian	Indian	570762	4467531	6302	6324	14145	14019	
MONUMENT BUTTE	Federal	Federal	587065	4430504	5192	5204	6001	5967	
UNDESIGNATED	Federal	Federal	585635	4428865	5312				
BLUEBELL	Indian	Indian	571502	4464416	5922	5943	14030	13994	
BLUEBELL	Indian	Indian	572320	4474433	6455	5477	15878	15877	
UNDESIGNATED	Federal	Federal	587033	4428863	5280	5298	5607	5606	
UNDESIGNATED	Federal	Federal	586617	4428863	5282				
BLUEBELL	Fee	Fee	589220	4470543	5497	5518	14022	13990	
MONUMENT BUTTE	Federal	Federal	587019	4430071	5226	5242	5655	5419	
BLUEBELL	Fee	Fee	592230	4471526	5502	5523	14403	13470	
BLUEBELL	Indian	Indian	570933	4466471	6259	6280	13860	13860	
BLUEBELL	Indian	Indian	591145	4473399	5617	5643	14711	14638	
BLUEBELL	Indian	Indian	571672	4475277	6639	6663	16800	13780	
BLUEBELL	Indian	Indian	600302	4469555	5344	5369	13550	13510	
BLUEBELL	Fee	Fee	590012	4470087	5460	5483	13865	13826	
BLUEBELL	Indian	Indian	571441	4474432	6533	6554	15830	15828	
BLUEBELL	Fee	Fee	593962	4465212	5274	5293	12833	12804	
BLUEBELL	Indian	Indian	571397	4475754	6646	6657	16782	16747	
ROBIDOUX	Indian	Indian	594136	4478438	5892	5917	16000	15345	
BLUEBELL	Indian	Indian	570014	4473004	6467	6483	15700	15693	
BLUEBELL	Fee	Fee	587414	4472656	5699	5720	14212	14150	
BLUEBELL	Indian	Indian	589788	4471891	5555	5576	16998	13914	

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AUG 20 2008

DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. DJJ
2. CDW

**X - Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective

**12/1/2009**

<b>FROM: (Old Operator):</b> N9995-Quinex Energy Corporation 465 South 200 West, Suite 300 Bountiful, UT 84010 Phone: 1 (801) 292-3800	<b>TO: ( New Operator):</b> N2695-Newfield Production Company 1001 17th St, Suite 2000 Denver, CO 80202 Phone: 1 (303) 893-0102
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CA No.			Unit: GREATER MONUMENT BUTTE (GRRV)*					
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
JODIE FED 1-23	23	090S	170E	4301332786	15771	Federal	OW	S
DS FED 3-23	23	090S	170E	4301332787	15772	Federal	OW	P
LFW FED 2-23	23	090S	170E	4301332788	16533	Federal	OW	P
JDC FED 4-23	23	090S	170E	4301332789	16244	Federal	OW	P
JSW FED 2-26	26	090S	170E	4301333617	16514	Federal	OW	P
JW FED 2-27	27	090S	170E	4301333618	17159	Federal	OW	P
JANS FED 1-25	25	090S	170E	4304739195	17160	Federal	OW	P
JOELYN FED 1-27 *	27	090S	170E	4301334072		Federal	GW	APD
HELEN FED 1-26 *	26	090S	170E	4301334073		Federal	GW	APD

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on 12/17/2009
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 12/17/2009
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 11/9/2007
- a. Is the new operator registered in the State of Utah: yes Business Number: 755627-0143
- b. If **NO**, the operator was contacted on:
- a. (R649-9-2) Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete or n/a
- c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA n/a
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 12/19/2009
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/19/2009
- Bond information entered in RBDMS on: 12/19/2009
- Fee/State wells attached to bond in RBDMS on: 12/19/2009
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: requested

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: WYB000493
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number B001834

**COMMENTS:** At this point, 5 of these wells will be within the Greater Monument Butte (GRRV) Unit,  
\*except for 43-013-34072 and 43-013-34073.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
2. NAME OF OPERATOR: Newfield Production Company <u>N2695</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1001 17th St. Suite 2000 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660 FNL 660 FWL		8. WELL NAME and NUMBER: JSW Fed 2-26
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 26 9S 17E S		9. API NUMBER: 4301333617
COUNTY: Duchesne		10. FIELD AND POOL, OR WILDCAT: Undesignated
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change of Operator</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change of Operator to Newfield Production Company from Quinex Energy Corporation pursuant to the inclusion into the Greater Monument Butte Unit and approval of the unit by the BLM. Effective as of 1 DECEMBER, 2009.  
(Bond #WYB000493)

Quinex Energy Corporation N 9995  
K.M. Hebertson

Date: 17 DECEMBER

Printed Name: K.M. HEBERTSON

Title: PRESIDENT  
465 South 200 West, Suite 300  
Bountiful, UT 84010 (801) 292-3800

NAME (PLEASE PRINT) <u>Kelly Donohoue</u>	TITLE <u>Newfield Production Company, Land Lead</u>
SIGNATURE <u>Kelly Donohoue</u>	DATE <u>12/16/09</u>

(This space for State use only)

APPROVED 12/19/2009  
Earlene Russell  
(5/2000) Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

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DEC 17 2009

DIV. OF OIL, GAS & MINING



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>																														
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-80566																														
<b>1. TYPE OF WELL</b> Oil Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>																														
<b>2. NAME OF OPERATOR:</b> NEWFIELD PRODUCTION COMPANY		<b>7. UNIT or CA AGREEMENT NAME:</b> GMBU (GRRV)																														
<b>3. ADDRESS OF OPERATOR:</b> Rt 3 Box 3630 , Myton, UT, 84052		<b>8. WELL NAME and NUMBER:</b> JSW FED 2-26																														
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0660 FNL 0660 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 26 Township: 09.0S Range: 17.0E Meridian: S		<b>9. API NUMBER:</b> 43013336170000																														
<b>PHONE NUMBER:</b> 435 646-4825 Ext		<b>9. FIELD and POOL or WILDCAT:</b> MONUMENT BUTTE																														
<b>COUNTY:</b> DUCHESNE		<b>STATE:</b> UTAH																														
<b>11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>																																
<b>TYPE OF SUBMISSION</b>  <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 10/17/2013  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<b>TYPE OF ACTION</b>  <table style="width: 100%;"> <tr> <td><input type="checkbox"/> ACIDIZE</td> <td><input type="checkbox"/> ALTER CASING</td> <td><input type="checkbox"/> CASING REPAIR</td> </tr> <tr> <td><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</td> <td><input type="checkbox"/> CHANGE TUBING</td> <td><input type="checkbox"/> CHANGE WELL NAME</td> </tr> <tr> <td><input type="checkbox"/> CHANGE WELL STATUS</td> <td><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</td> <td><input type="checkbox"/> CONVERT WELL TYPE</td> </tr> <tr> <td><input type="checkbox"/> DEEPEN</td> <td><input type="checkbox"/> FRACTURE TREAT</td> <td><input type="checkbox"/> NEW CONSTRUCTION</td> </tr> <tr> <td><input type="checkbox"/> OPERATOR CHANGE</td> <td><input type="checkbox"/> PLUG AND ABANDON</td> <td><input type="checkbox"/> PLUG BACK</td> </tr> <tr> <td><input type="checkbox"/> PRODUCTION START OR RESUME</td> <td><input type="checkbox"/> RECLAMATION OF WELL SITE</td> <td><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</td> </tr> <tr> <td><input type="checkbox"/> REPERFORATE CURRENT FORMATION</td> <td><input type="checkbox"/> SIDETRACK TO REPAIR WELL</td> <td><input type="checkbox"/> TEMPORARY ABANDON</td> </tr> <tr> <td><input type="checkbox"/> TUBING REPAIR</td> <td><input type="checkbox"/> VENT OR FLARE</td> <td><input type="checkbox"/> WATER DISPOSAL</td> </tr> <tr> <td><input type="checkbox"/> WATER SHUTOFF</td> <td><input type="checkbox"/> SI TA STATUS EXTENSION</td> <td><input type="checkbox"/> APD EXTENSION</td> </tr> <tr> <td><input type="checkbox"/> WILDCAT WELL DETERMINATION</td> <td><input checked="" type="checkbox"/> OTHER</td> <td>OTHER: <span style="border: 1px solid black; padding: 2px;">OAP to Current Formation</span></td> </tr> </table>		<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <span style="border: 1px solid black; padding: 2px;">OAP to Current Formation</span>
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<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b>  Newfield proposes to perforate and fracture stimulate from 3660'-3727' with in the current production formation (Green River)																																
<div style="text-align: right;"> <b>Accepted by the</b>  <b>Utah Division of</b>  <b>Oil, Gas and Mining</b>   <b>Date:</b> October 22, 2013   <b>By:</b> <u><i>Derek Quist</i></u> </div>																																
<b>NAME (PLEASE PRINT)</b> Mandie Crozier		<b>PHONE NUMBER</b> 435 646-4825																														
<b>SIGNATURE</b> N/A		<b>TITLE</b> Regulatory Tech																														
<b>DATE</b> 10/17/2013																																